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# **JOHANNESBURG DEVELOPMENT AGENCY (SOC) LIMITED**

Registration no: 2001/005101/07



## **2015/16 Integrated Annual Report**

In terms of section 121 of the  
Municipal Finance Management Act (2003) and section 46 of the Municipal Systems Act (2000)

**Registration number:** 2001/005101/07  
**Parent municipality:** City of Johannesburg Metropolitan Municipality

<b>Directors:</b>	Mr C Coovadia (Chairperson) Mr K Govender Dr E Harvey Ms Z Mafata (CFO) Ms P Mashiane Mr P Masilo Mr T Mendrew (CEO) Dr T Mukhuba Ms N Selamolela Prof D Thwala Mr P Zagaretos
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<b>Bankers:</b>	Standard Bank of SA Limited
<b>Auditors:</b>	The Auditor-General of South Africa
<b>Company secretary:</b>	Hasani Rodney Shirinda

### **Vision**

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

### **Mission**

The JDA's mission is to manage and facilitate area-based developments in efficient and innovative ways to build an equitable, sustainable and resilient city.

### **The key values that inform the work and approach of the JDA are:**

- Accountability: To its shareholders, Board and key stakeholders
- Innovation and creativity: Promoting an environment of fast-tracked decision-making and broader financial leverage, within which developments are planned, led, managed and implemented.
- Responsiveness: To market forces, operating where it can make a difference, in locales and sectors where shareholders and their partners have a concentration of assets and expertise.
- Results-driven and stakeholder-focused: With a 'user friendly' approach
- Seeking to empower: Through progressive procurement and work practices

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# About this Report

## Scope

Since 2012, the Johannesburg Development Agency (JDA) has applied circular 63 of the Municipal Finance Management Act (MFMA) (2003), issued by the National Treasury, in the preparation of its annual reports. The circular prescribes the content municipalities should cover in their annual reports. The 2015/16 integrated annual report provides all of the required data and tables.

To comply with local and international sustainable reporting best practice guidelines, the 2015/16 integrated annual report also takes into account financial, social and economic factors in reporting on the JDA's operations. The guidelines applied include:

- Reporting requirements as per the Municipal Finance Management Act No. 56 of 2003, Circular 63 (MFMA)
- The South African Statements of Generally Recognised Accounting Practice (GRAP)
- Section 46(1) of the Municipal Systems Act (2000).
- International Integrated Reporting Council's Integrated Report Framework (IIRC IRF)
- King Code of Governance for South Africa 2009 (King III)
- National Treasury Guidelines and Regulations

The JDA's outcomes are aligned with those set out in the City of Johannesburg's 2013–2016 integrated development plan and the Joburg 2040 Growth and Development Strategy (GDS), the collective and shared vision for the future of Johannesburg.

## Materiality

The JDA applies the principle of materiality to determine the nature, timing and extent of the disclosures in its annual reports. A matter is material if it is of such relevance and importance that it could substantially influence an assessment of the report and the entity's ability to create value in the short, medium and long term. Material issues are embedded into the company's processes in at least the following four ways that ensure efficiency and impact:

- Strategy: To feed into ongoing strategy development by highlighting rapidly emerging issues and enabling them to be factored into strategy development and possibly addressed as business opportunities, rather than ignored until they become business risks.
- Performance: To promote internal understanding of the link between environmental, social, and governance issues and business performance. The materiality determination provides a link between issue experts and strategic and operational managers.
- Stakeholder engagement: To provide a framework to design stakeholder engagement strategies and a powerful tool to help identify opportunities for dialogue and collaboration.
- Reporting: To determine the scope of reporting and other communications so that they are more strategically aligned and useful to external stakeholders.

The following internal and external criteria were used to identify material issues:

Internal criteria	External criteria
Joburg 2040 GDS criteria and objectives	Emerging opportunities and challenges facing the JDA
	Changes in the socioeconomic development agenda and priorities of national and provincial government
Enterprise risk management process, including key risks affecting the JDA's strategic and operational objectives and the associated mitigating activities	Factors that may affect the JDA's reputation and influence its ability to promote sustainable growth

Internal criteria	External criteria
The expectations and feedback of stakeholders such as residents, ratepayers, the business community, civil society, national and provincial government, neighbouring municipalities, and designated targeted groups	The provisions of various frameworks, including the MFMA, section 46(1) of the Municipal Systems Act, King III, the International Financial Reporting Standards, the Millennium Development Goals, and the broad-based black economic empowerment (BBBEE) code
The JDA's mission, vision and values	
The JDA's governance framework and policy environment	

## Assurance statement

The JDA's executive management, internal audit unit, and the Audit and Risk Committee have reviewed and assessed the entity's integrated annual report for 2015/16 to ascertain whether minimum disclosure requirements were adhered to in terms of the following:

Integrated reporting framework	MFMA: Circular 63 annual reporting requirements
Ethical leadership and corporate citizenship	Chairperson's foreword and executive summary
Boards and directors <ul style="list-style-type: none"> <li>Board independence</li> <li>Board reporting</li> <li>Board's performance</li> <li>Board committees</li> <li>Directors' remuneration</li> </ul>	Governance <ul style="list-style-type: none"> <li>Governance structures</li> <li>Intergovernmental relations</li> <li>Public accountability participation</li> <li>Supply chain management, by-laws and oversight committees</li> <li>Risk management</li> <li>Anticorruption and fraud</li> <li>Disclosure of financial interests</li> <li>Councillors and committee</li> </ul>
Audit and Risk Committee <ul style="list-style-type: none"> <li>Finance competence</li> <li>Audit and Risk Committee performance</li> </ul>	Service delivery
The governance of risk	Organisational development performance
Compliance with laws, codes, rules and standards	Financial performance
Internal audit <ul style="list-style-type: none"> <li>Assessment of governance risk, management ethics and internal control processes</li> </ul>	Appendices and annual financial statements
Governing stakeholder relationships	
Integrated reporting disclosure <ul style="list-style-type: none"> <li>Financial disclosure</li> <li>Sustainability disclosure</li> </ul>	
Integrated reporting philosophy	

The JDA will continue to refine its approach to reporting to further align it with international standards, and to strive to be consistent and accountable in its work to create sustainable value for all residents of Johannesburg.

## Board responsibility and approval

The directors are responsible for the preparation, integrity and fair presentation of the financial statement of the entity. The financial statements presented in Chapter 5 have been prepared in accordance with Generally Recognised Accounting Practice and include amounts based on judgements and estimates made by management.

The directors are responsible for the preparation of the other information in the integrated annual report and are responsible for both its accuracy and consistency with the financial statements. The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the entity will not be a going concern in the foreseeable future based on the forecast and available cash resources.

Refer to the Directors' report in Chapter 5 with regard to the appropriateness of the going concern assumption for the preparation of the financial statements.

The financial statements were approved by the Board of Directors on 31<sup>st</sup> August 2016 and signed on its behalf by Mr. C Coovadia (Chairperson)

A handwritten signature in black ink, consisting of a large, stylized 'C' followed by a horizontal line.

**Mr. C Coovadia**  
**(Chairperson)**

## **CHAPTER 1: JDA LEADERSHIP AND CORPORATE PROFILE**



## Section 1: Corporate Profile and Overview

The JDA was established by the City of Johannesburg (CoJ) in April 2001 to initiate, stimulate and support development projects and rejuvenate economic activity throughout Johannesburg. The agency initially focused on applying economic development strategies to regenerate underperforming neighbourhoods, mostly in the inner city. However, this has evolved to focusing on transforming Johannesburg into a resilient, sustainable and liveable city by developing transit nodes and corridors, the Corridors of Freedom, which link defined strategic geographic areas. The city is becoming more efficient, accessible and less reliant on consumption-led economic growth as a result.

The agency's past work includes establishing integrated sport precincts in Nasrec and Ellis Park, and dedicated bus stations and lanes for the new Rea Vaya bus rapid transit (BRT) system, as well as developing historically marginalised areas such as Kliptown, Orlando West, Orlando East, Noordgesig, Jabulani, Nancefield, Alexandra, Orange Farm and Diepsloot. The JDA has also drawn on the history of Johannesburg to create new symbols and monuments such as Constitution Hill, Nelson Mandela Bridge and the Walter Sisulu Square of Dedication. A summary of the evolution of the JDA's strategy and practice over three mayoral terms is highlighted in the table below.

Summary of the evolution of the JDA's strategy and practice over three mayoral terms

	First mayoral term 2001/02 to 2005/06	Second mayoral term 2006/07 to 2010/11	Third mayoral term 2011/12 to 2015/16
<b>Strategic focus</b>	Economic development outcomes	Triple bottom-line outcomes (economic, social and environmental objectives)	Resilient, sustainable, and liveable city outcomes
<b>Funding sources</b>	Opex grants from CoJ Capex grants from CoJ and Blue IQ	Development fees from a range of intergovernmental capital grants (and reduced opex grants from CoJ) capex grants from CoJ, National Treasury and National Department of Transport	Development fees to fund operations (further reductions in opex grants) capex grants from National Treasury, and National Departments of Transport and Human Settlements
<b>Priority development areas</b>	Mostly inner city	Inner city and marginalised areas	Transit nodes and corridors
<b>JDA area-based development offering</b>	Development management	Development management and technical assistance (as capital project implementing agent)	Development management and development facilitation
<b>Type of capital projects</b>	Big iconic infrastructure and property development projects intended to catalyse investment by the private sector	Smaller capital works projects implemented over a longer period of time that respond to the needs of both investors and local communities. Technical assistance projects on behalf of other municipal departments or entities (e.g. Rea Vaya infrastructure and CoJ clinics)	Integrated precinct developments that will transform the space economy. The JDA's role includes area-based coordination, and development facilitation
<b>Selection of key development areas</b>	<b>Inner city regeneration areas:</b> Newtown Cultural Precinct Faraday taxi rank and market Constitution Hill Braamfontein  <b>Township regeneration area:</b> Kliptown development, Soweto	<b>Inner city development areas:</b> Fashion district High Court precinct  <b>Marginalised development areas:</b> Stretford Station precinct, Orange Farm Diepsloot development  <b>2010 World Cup Legacy developments:</b> Vilakazi Street precinct, Soweto Nasrec, Soweto Ellis Park Sports precinct Rea Vaya busways and stations on trunk routes 1A and 1B	<b>Station Precinct (transit-oriented node) developments:</b> Park Station Precinct Nancefield Station Precinct Jabulani node Randburg CBD  <b>Corridors of Freedom:</b> Soweto Corridor: Orlando East and Westgate Station Precincts Empire-Perth Corridor: Westbury, University precincts Louis Botha Corridor: Rea Vaya busways and stations on trunk Route 1C Section 15; Alexandra non-motorised transport (NMT) and Alex Renewal Projects (ARP) projects; Hillbrow Tower Precinct Turffontein development area

### Strategic focus and future orientation: Transforming the spatial economy

The JDA's primary medium-term objective is to promote resilient city strategies by restructuring the urban spatial logic of the city. This restructuring is contingent on achieving the following three development goals:

- **Shifting people closer to jobs:** To give a greater number of poor people access to markets and jobs, the JDA will develop transit nodes in underdeveloped areas to create a spatial environment conducive to the agglomeration of economic activity, higher residential density and more intensive land use. This strategy will be achieved through the JDA's transit-oriented node development programme and the inner-city transformation programme.

- **Shifting jobs closer to people:** The development of selected nodes in marginalised areas to stimulate local economies, increase competitiveness and broaden access to markets and jobs that are nearby is an important strategy towards making the space economy more efficient. This will be achieved through the Priority Areas Development Programme.
- **Linking jobs and people:** The greenways programme will develop high-density movement corridors anchored by transit nodes to restructure the city form, promote efficient land use and improve transport energy consumption.

The JDA will continue to transform the spatial economy in Johannesburg through the implementation of the Corridors of Freedom initiative. Key precinct developments along the corridors are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes. In terms of small, medium and micro enterprise (SMME) and entrepreneurial support, the JDA aims to increase the number of local emerging contractors used in capital projects carried out in the various communities, as well as the number of local construction jobs created.

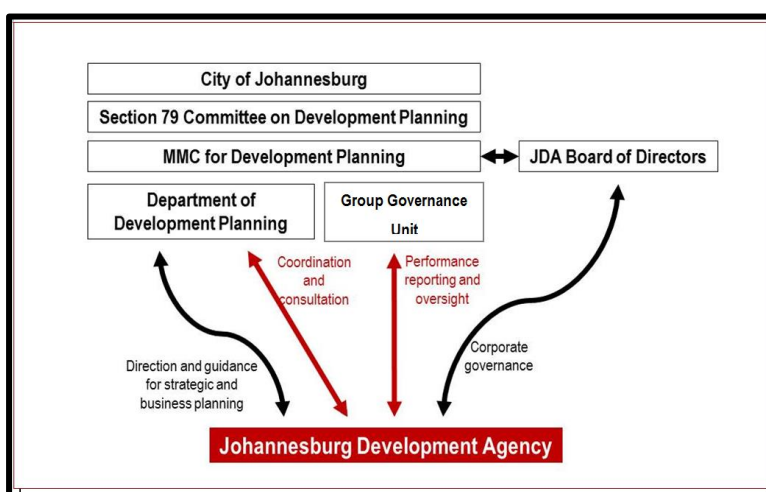
The JDA will also seek opportunities to upgrade infrastructure within station precincts and along the movement corridors. In 2013/14 the Rea Vaya communication network on trunk route 1B was activated to provide free Wi-Fi at bus stations. In 2014/15, free Wi-Fi was included in the design and implementation of the infrastructure for trunk route 1C linking the Johannesburg central business district (CBD) to Alexandra and Sandton.

## Outcomes and challenges

The JDA's evolution into an area-based development agency has prepared it to respond to the objectives of the current mayoral term. Under this model, the JDA takes on a more central role in developing strategic capital works projects and establishing urban management partnerships. Crucially, the model allows the JDA to mobilise development partners and other stakeholders to sustainably achieve the common economic and social objectives defined for each area. However, given the spatial, socioeconomic and political environment in which the JDA operates, there are challenges that affect area-based development and the JDA's ability to facilitate common economic and social objective.

## Political governance and accountability

The JDA is accountable to the Department of Development Planning and the Member of the Mayoral Committee for Development Planning, who exercises political oversight and to whom the JDA submits compliance reports in respect of its performance scorecard. The JDA relies on the Department of Development Planning for direction on its contractual obligations contained in the service delivery agreement, and on the Member of the Mayoral Committee for its political mandate and oversight. The group governance unit provides corporate governance and related support, including on financial sustainability and compliance reporting and review.



The Council's Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions. The JDA also falls under the Economic Growth Cluster Committee, which ensures that the work

of the other departments and entities mandated with spatial transformation and economic growth of the city is integrated and coordinated.

The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.

## Section 2: Strategic Objectives

Joburg 2040: Growth and Development Strategy envisions a sustainable and inclusive Johannesburg in which communities and the individuals within them hold the potential and the means to imagine and grow their neighbourhoods, communities and themselves. The JDA's approach to development is rooted in this long-term vision and the specific aim of the CoJ's economic growth cluster to develop a resilient, liveable, sustainable urban environment that supports a low-carbon economy that is job intensive, equitable and competitive.

The strategic objectives of the JDA, which are aligned with the Joburg 2040 GDS and the economic growth cluster's plans for sustainable services and economic growth, are to:

- Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.
- Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.
- Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.
- Develop local economic potential in marginalised areas to promote access to jobs and markets.
- Encourage sustainable energy consumption and land use in the city by developing strategic transit nodes and corridors.
- Promote economic empowerment through the structuring and procurement of JDA developments.
- Support productive development partnerships and cooperation between all stakeholders in these areas.

Overall, the JDA has performed well against performance targets over the last decade. However, at the project level, factors pertaining to the design, implementation and handover of the JDA's activities have affected the success and impact of individual projects. The JDA's rigorous project design approach involves engaging with affected communities and relevant municipal agencies, and appointing professional planners. Challenges may be identified during these engagements, delaying the implementation of the projects until there is agreement on the best development intervention.

The JDA plans to increase its development facilitation role, to pre-empt and avoid delays, by including the following functions in all of its development areas:

- More substantial research and analysis to inform evidence-based precinct-level planning
- More extensive community consultation to secure buy-in for the development vision and plans
- Precinct marketing, promotion and programming
- Assemble and procure developments as public-private partnerships.

The long-term sustainability of the JDA's projects is dependent on effective development facilitation, for which two important considerations exist. First, appropriate governance structures must be set up during the implementation phase. Second, the initiatives of municipal agencies implemented within a particular area need to be coordinated.

Without appropriate governance structures, the long-term sustainability of the JDA's projects is placed at risk as no specific municipal agency has been tasked with maintaining infrastructure developed and handed over. In addition, poor coordination contributes to poor planning and affects how projects are perceived.

The JDA will focus on improving consultation and coordination, including introducing consultations in the planning phase, ensuring governance structures exists by the time a project is implemented, and improving the coordination of the municipal agencies responsible for service delivery within the CoJ.

## Section 3: Value Creation Process

### 3.1 Performance highlights

- In 2015/16, the JDA implemented over 90 capital projects to the value of R1.482 billion. This represents 92 per cent of the budget for the current financial year.
- Over the Mayoral term this has taken JDA's capital expenditure over the past 5 years to R4.4 billion, which represents over 50 per cent of the JDA's total capital expenditure over its 15 years of operation.
- On KPI targets, the JDA achieved 53% performance, 10% partially achieved and 38% not achieved. In 2015/16, the major drivers of capital expenditure were the large construction works that are being undertaken on the Rea Vaya trunk route 1C along Louis Botha Avenue, and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, meaning that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.
- Regarding the management of operating revenue and expenditure, the organisation achieved its target of 100% revenue the year. For operating expenditure the organisation achieved 97% against a 100% target for the year. The variance of R5 million was mainly due to vacant positions in the employee costs line item.

### 3.2 Financial highlights

The table below reflects the financial position and financial performance of the organisation for the year under review:

**Table 1 Financial position and financial performance, 2015/16**

Key Performance Area	Key Performance Target	Actual 30 June 2015	Actual 30 June 2016
Current ratio	Above 1 : 1	1.09 : 1	1.08 : 1
Solvency ratio	Above 1 : 1	1.08 : 1	1.08 : 1
Revenue	R105.2 million	R99.3 million	R104.8 million
Expenditure (including taxation)	R105.2 million	R82.9 million	R102.1 million
Surplus / (Deficit)	R nil	R16.4 million	R2.8 million
Total net assets	R47.4 million	R67.7 million	R70.4 million
Capital expenditure	100%	87%	92%
B-BBEE expenditure	100%	91%	90%
SMME Expenditure	40%	29%	16%

### 3.3 Non-financial highlights

- For the 2015/16 financial year to date, the overall BBBEE share of expenditure was R1,275,963,352. This constitutes an achievement of 90 per cent.
- The SMME share of JDA's operating and capital expenditure was R 228,748,457 for the 2015/2016 financial year to date. This constitutes an achievement of 16% for the Year to date.
- The staff organogram has 109 approved positions, 87 is the total number of JDA employees, and this includes 12 employees from Sandton office on the City of Johannesburg Payroll. There are 22 vacant positions (20 funded, 2 unfunded).

- In 2015/16 the JDA was mentioned in 188 print and on-line media reports. The media analysis provides the rating of positive, neutral or negative as an opinion on the tone of the article and views expressed about the JDA and its development programmes. An average of 84% positive or neutral stories were recorded as a total of all stories measured in this financial year against a target of 90%. Negative stories accounted for 15% of the total number of stories.

The figure below provides an overview of the JDA's value creation process' and illustrates how the JDA's various inputs (i.e. financial, manufacturing, human, intellectual) are transformed into financial returns as well as non-financial sustainability outcomes.



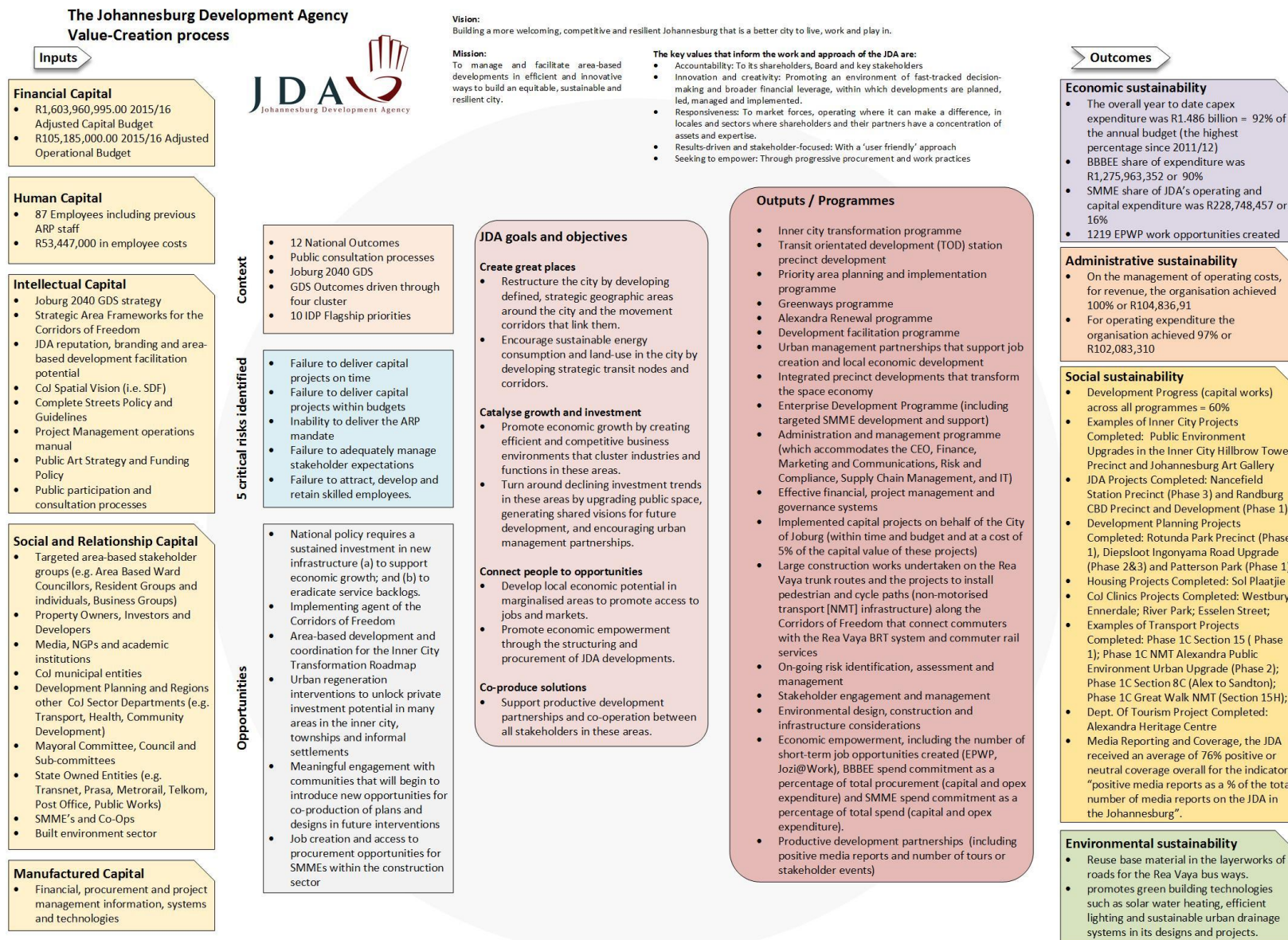


Figure 1 JDA's Value Creation Process

### 3.4 Managing Stakeholder Relationships

The JDA engages with various State and community stakeholders. Stakeholders in JDA planning processes and projects are the people and organisations which impact upon and are impacted by JDA plans, interventions and projects.

#### City of Johannesburg Stakeholders

As a Municipal Owned Entity (MOEs) the JDA has key linkages and relationships with the City of Johannesburg and other MOEs. These relationships are vital to ensure that development aligned with the COJ vision and policies for Johannesburg. Some critical stakeholders and the relationships that JDA departments have with them are listed below:

CoJ Stakeholder	Nature of Engagement
Office of the Mayor	The JDA engages with the Office of the Mayor to ensure strategic engagement on city priorities, key decisions and formal oversight committees and steering groups. It ensures internal JDA priorities, policies and frameworks are in line with the Growth and Development Strategy (GDS) 2040 and other plans and policies of the city, and the JDA keeps the Office of the Mayor well informed of JDA project progress. The JDA highlights public addresses, site visits and mayoral priorities to the general public.
Office of the MMC for Development Planning	The JDA engages with the MMC for Development Planning to ensure both strategic and operational engagement on city priorities, key decisions and formal oversight committees. The JDA keeps the Office of the MMC well informed of JDA project process, and where possible, involves the MMC in stakeholder engagement where political intervention is sought.
The JDA Board	The JDA is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company.
Members of the Mayoral Committee (MMCs)	The JDA has representation on and reports regularly to oversight committees, as well as to key fora with MMCs from particular client departments. The JDA also provides engagement and support to MMCs in external stakeholder engagement. On particular projects the JDA works with specific portfolios for political support. The JDA also highlights public addresses, fora and site visits to the general public.
Office of the Speaker of the City of Johannesburg	As an agency of the City of Johannesburg, the JDA is bound by the rules on public participation as set out by the Office of the Speaker. The Speaker has to ensure public consultation, involvement and participation in the affairs of the municipality. As chairperson of the council's public participation and petitions committees, the Speaker must ensure that the public participates in city matters wherever possible, and facilitates the process whereby community requests and complaints are heard and ensures that there are appropriate responses from Council. In order to fulfil the role of building democracy, the Speaker manages community participation in local government.
City of Johannesburg Development Planning (City Transformation) (CT)	Planning roles in the JDA are integrally linked with planning in the City. Local area planning and implementation is undertaken in partnership between the JDA and City Transformation (CT). The JDA reports to City Transformation where it acts as implementing agent for planning projects. The JDA also provides strategic planning input on decision making for planning initiatives. The JDA collaborates with CT on providing input to the Integrated Development Plan (IDP) and associated Spatial Development Framework (SDF) as well as other key strategic planning initiatives. Through its relationship with CT, the JDA influences prioritisation and budgeting for infrastructural development to maximise impact. In terms of Development Facilitation the JDA collaborates closely with CT on spatial planning, precinct/ area research and planning and project prioritisation and budgeting. Development Implementation collaborates with CT on the Capex requirements and scope of work for particular projects, and the DI teams provide critical feedback to the planning department for accurate budgeting for development projects.

CoJ Stakeholder	Nature of Engagement
Johannesburg Property Company (JPC)	JPC will remain the city property manager, handling all individual transactions of public land; however as the key facilitator of area based developments JDA's participation in these transactions is vital. The JDA provides strategic engagement on land acquisition and disposal matters related to JDA implemented projects. This includes input into strategic decision making on land acquisitions and disposals. At local area level it includes collaboration between the JDA and JPC on land identification, provision of key information and unblocking of developments on both city and privately owned land. Furthermore it includes collaboration on transactions and connected developments are required on a regular basis to ensure that work continues smoothly. The JDA has representation on the Joint Land Steering Committee.
Municipal owned entities (MoEs) and Departments	<p>These include Joburg Water, City Power, Johannesburg Roads Agency, City Parks, Pikitup, Department of Economic Development, Department of Community Development etc. These entities and departments act as project clients, co-implementers and operators in different projects. They are integral to any JDA development process.</p> <p>The JDA's engagement includes soliciting input into strategic planning initiatives underway by all relevant departments and development of linkages between overall planning at city level and the JDA business plan. At a local planning and project level it means bringing relevant departments together to coordinate between existing opportunities and to generate plans for new area based development. It is important to ensure that the adequate complimentary infrastructure is in place (e.g. stormwater, water and electricity reticulation) as well as complementary services (e.g. small cooperatives, social services) to schedule and bring projects to completion. Development Implementation teams interact with relevant MoEs and departments on project specific requirements. Marketing and Communications work with relevant departments, particularly where JDA acted as implementing agent, to share process and completion details as part of ensuring smooth implementation and to publicise the work of the City.</p> <p>The JDA engages with these entities individually as well as in joint forums. Technical forums are established by the DF team. They bring together the various City departments and entities working on specific investments/ projects to ensure that there is smooth communication between parties, that development blockages are blocked and that opportunities in the particular precincts are realised. DI teams utilise these forums to resolve project specific issues and ensure smooth coordination with other departments for development and handover processes.</p>
Housing Agencies of the City	<p>These include the City's Housing Department and Johannesburg Social Housing Company (JOSHCO), integral partners to ensuring the provision of affordable housing.</p> <p>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 where requested by JOSHCO or Housing Department.</p>

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## National and Provincial State Stakeholders

State Stakeholder	Nature of Engagement
National departments and entities include National Treasury, South African Police Services (SAPS) and Department of Public Works (DPW) as well as other critical partners in terms of budgeting and urban management on key projects.	These departments play key roles in developments across the city of Johannesburg in planning, implementation and sustainability of key developments.  The various JDA departments engage with national and provincial departments at several levels. The JDA collaborates with departments on larger scale planning initiatives and on the finalisation of national or provincial programmatic grants for infrastructural development.
Provincial Departments include Departments of Human Settlements, Education, Economic Development, Safety and Security, department of environmental affairs and water affairs etc.	It utilises of national or provincial programmes for area based development initiatives. From time to time the JDA may implement projects for national or provincial client departments and from provincial grant schemes.

## Community Stakeholders

Community Stakeholders	Nature of Engagement
Private investors and developers	The JDA engages with private investors to share information about the City's work and vision and encourage private investment. It further works with the private sector in conveying the city's vision, policy and processes and assessing and establishing partnerships for achieving this vision.  At a local area the DF team engages with private investors and developers to highlight key opportunities for increasing private investment in areas where there is state investment. It also works with these stakeholders to understand the market dynamics and inhibitors to investment as well as to carve area based investment approaches that will enhance the public good within those areas.
Small and Medium Enterprises (SMMEs)	The JDA's mission directs the JDA to create a conducive environment for economic empowerment and makes use of programmes for the development of SMMEs (e.g. Expanded Public Works Programme).  SMMEs are an essential stakeholder group to be engaged on local area projects both for determining the economic conditions and opportunities within areas and for identifying opportunities for enhancing opportunities for small business in development areas and directly in JDA projects.
City Improvement Districts (CIDs) and other Urban Management Partnerships	These are key stakeholders in terms of the conceptualisation, implementation and maintenance of area based development. CIDs and Urban Management Partnerships are important stakeholders in the long-term urban management of investments made by the JDA and others in local neighbourhoods.
Local area based stakeholder committees	These committees are established by the DF team are representative of community interests in areas. They may include ward councillors, ward committee members, religious leaders, school governing bodies, business representatives, NGOs and community members, amongst others. These committees are integral for the approval and shaping of investments as well as for catalysing community efforts as a key resource for the development of local areas.  These committees provide feedback on projects. They are also the platforms for resolving project specific issues, for identifying local opportunities (including employment) and for discussing project schedules.

## Specific interest groups

The JDA will engage with specific interest groups to discuss the aspects of the projects that affect them directly and in particular ways. These include:

Specific interest groups	Nature of Engagement
Local residents and business owners	These stakeholders are the people who will benefit from key investments. Engagements focus on how these benefits can be capitalised on and best utilised are key to ensuring responsive development that will be well utilised.
Women and Youth	These groups may be vulnerable in various ways or have unique needs that must be taken into account in projects. Engagements are directed at improving the responsiveness of developments to meet particular needs of these groups to improve living conditions and optimise economic outcomes for them.
Organised Labour	It is necessary to engage workers on their needs in the environment (transport, access, safety etc.) as well as on the development of enterprise and employment opportunity through project interventions.
Researchers and urbanists	The JDA works with these groups at a strategic planning level as well as at project level. At a strategic level the JDA works with researchers to inform evidence based policy development and to gain insight into particular dynamics in areas or particular development issues. It is important that JDA planning and facilitation staff keep abreast of critical research and discussions into various aspects of the city from demographics, to new policies, reports and publications. It is valuable to shaping thinking about area based development, and Development Implementation staff are required to keep abreast of new methodologies, design approaches, materials etc. to ensure best practice implementation of projects

## 3.5 Stakeholder Engagement Framework

One of the JDA's strategic goals to co-produce solutions in partnership with local stakeholders to meet local needs and mitigate challenges. This is an essential component of development intervention in cities, but should not be read or interpreted as if it stands isolated from the other three strategic goals. Since 1994, the state has made concerted efforts to engage resident communities and other affected stakeholders in the development of local solutions. Unfortunately this has not always been successful and has often simply taken the form of decision-makers telling communities about their strategies. A more responsible and effective approach is to work with local stakeholders to produce solutions by drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride and citizenship.

The JDA's Stakeholder Engagement Framework represents the JDA's ongoing commitment to work effectively with its stakeholders through both the plans and interventions it designs and the projects it implements. This includes learning from past stakeholder and community engagement experiences and continuing to improve performance.

The Stakeholder Engagement Framework guides the way in which the JDA supports productive development partnerships and co-operation between all stakeholders in these areas. It frames how the JDA works with the people and organisations which impact upon and are impacted by various JDA plans, interventions and projects which seek to fulfill the City of Johannesburg's development policy objectives. The Framework seeks to:

- ensure a coherent approach to stakeholder engagement across the complete range of JDA plans, interventions and projects

- enable better planned projects and programs
- facilitate effective collaboration with all affected and interested parties

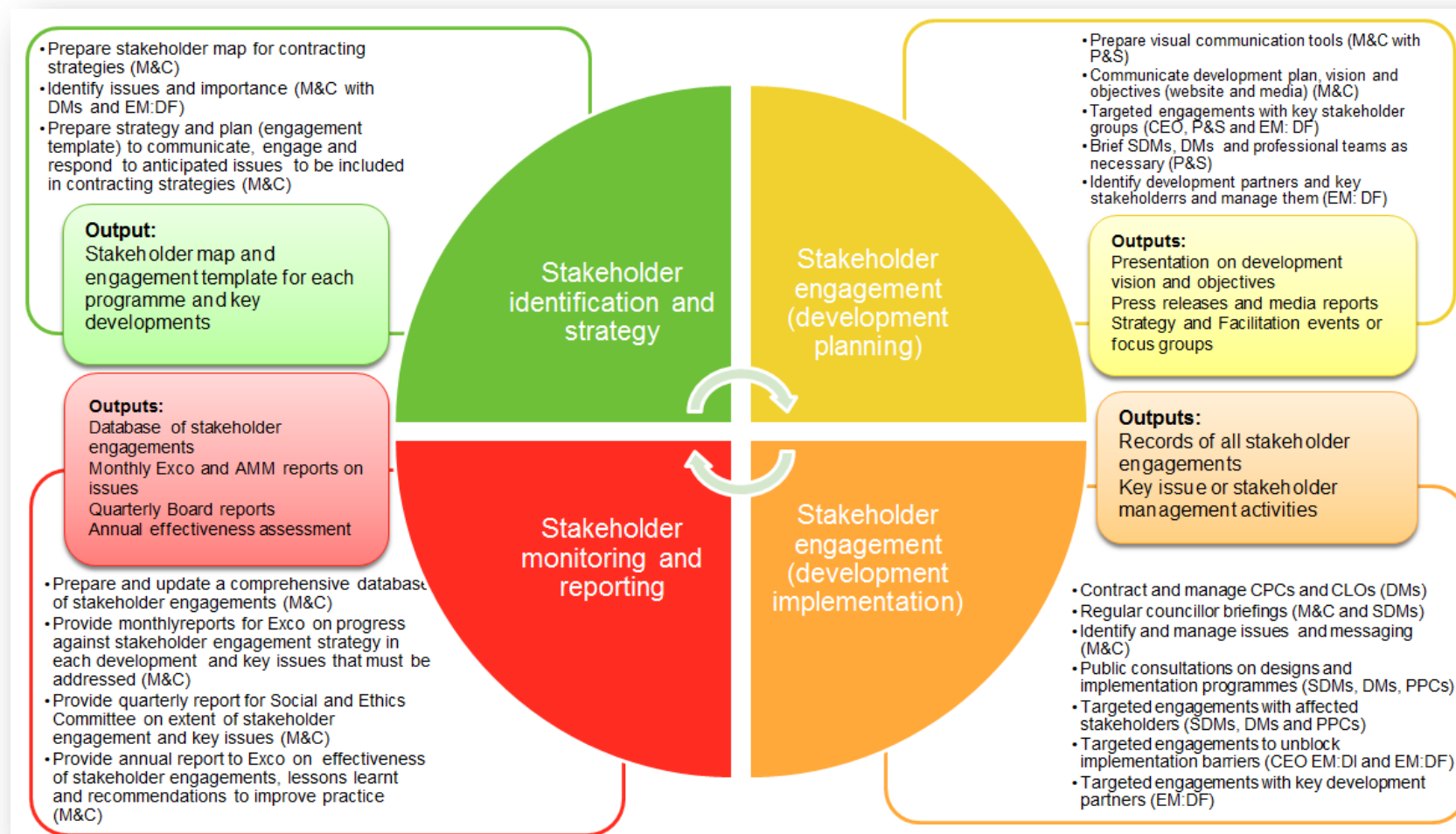


Figure 2 Stakeholder Engagement Framework

## Section 4: High-level Organisational Structure

The JDA’s operations are structured into five substantive programmes and two operational programmes. The operational programmes perform the cross-cutting functions that support the substantive programmes.

### Financial position and financial performance 2015/16

The JDA’s structure is a response to the business model, which focuses on the development of strategic capital works projects as well as development facilitation to optimise the impact of the catalytic public investments, and the establishment of urban management partnerships to ensure the sustainability of the catalytic public investments. The organisational structure during the reporting period is presented below.

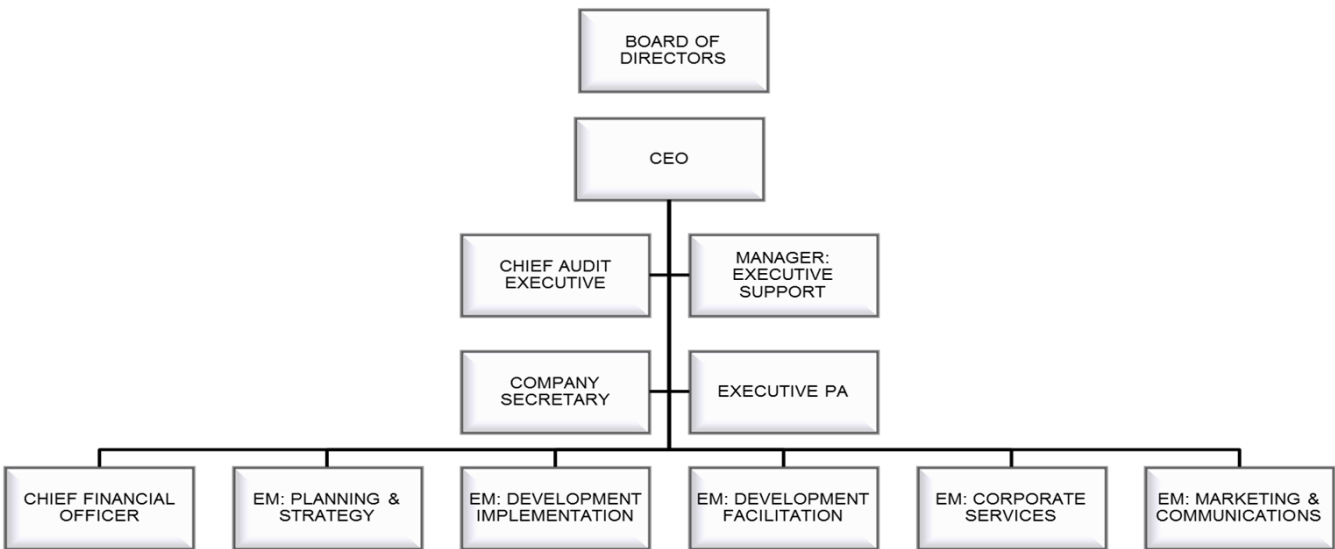


Figure 3 Organisational structure<sup>1</sup>

<sup>1</sup> Note: CEO – chief executive officer; EM – executive manager; PA – personal assistant.

## Section 5: Foreword by Member of the Mayoral Committee

As the MMC for Development Planning it is my responsibility to direct and oversee the work of the Development Planning portfolio. The portfolio covers both the Department of Development Planning as well as the Johannesburg Development Agency (JDA).

It is an honour to be associated with the JDA, given their stellar performance in the 2015/16 financial year in which they demonstrated a steadfast commitment to service delivery and the economic and spatial transformation of the City.

I would particularly like to extend my congratulations and appreciation to the Board of the organisation for securing a Clean Audit outcome from the Auditor-General for a second consecutive year. This audit outcome only serves to confirm our commitment to clean and good governance on the part of the new administration. I am looking forward to working with the JDA in ensuring that the organization retains its clean audit status by ensuring clean administration that frowns upon incidents of corruption and maladministration. I will also continue to ensure professional public service in this entity that serves Joburg residents with pride.



*Cllr. Richard Fonzela Ngobeni  
MMC Development Planning*

It is worth noting that in terms of its development footprint, the JDA continues with its unwavering investment and developments in the Inner City. This work, not only strives to revive the inner city both for existing and new people who call it home, but also for businesses who invest in this strategic area for economic growth. Beyond the inner city, JDA also supports pro-poor development by focusing on marginalized areas through its Priority Area Planning and Implementation Programme and the Alexandra Renewal Programme. JDA developments in areas such as Soweto, Alexandra and Diepsloot have gone a long way in providing much needed access to social and economic facilities and in creating a safer, cleaner and greener public environment.

The nature of JDA developments contribute in achieving a 5% economic growth rate, by driving a sustainable SMME programme and by contracting of local labour, which contributes to poverty alleviation and reducing unemployment.

I continue to place high expectations and trust in the JDA and am looking forward to working closely with them in the years to come.

A handwritten signature in black ink, appearing to read 'Richard Fonzela Ngobeni', with a stylized flourish extending to the right.

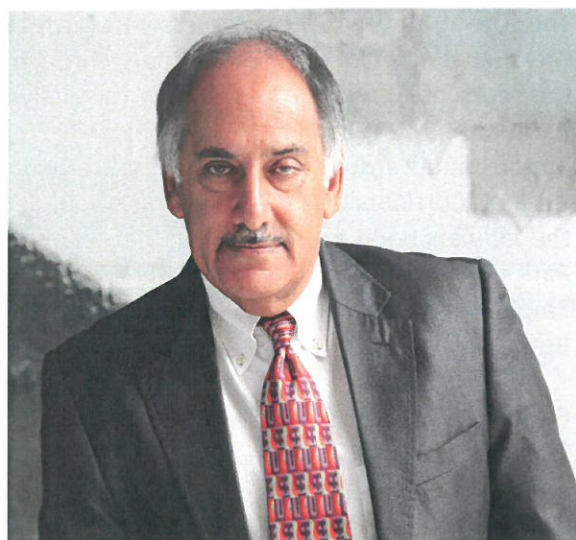
**Councillor Richard Fonzela Ngobeni  
Member of the Mayoral Committee on Development Planning  
2 December 2016**



## Section 6: Chairperson's Foreword

As we consider the results for 2015/16, I commend the JDA team for spending 92 per cent capital budget in 2015/16 of R1.60 billion. While this is impressive achievement in itself, we are also confident that the JDA can even do more to exceed its targets related to urban development and capital expenditure. What is clear is that past lessons, such as the multi-year planning, budgeting and contracting system and innovative approaches to stakeholder engagement and public participation continue to yield efficient results in the JDA's performance.

In addition, while project delivery remains a priority, each area-based development undertaken by the JDA is now supported by the development facilitation unit, which supports in the pre-development and post-development phases. These enhance the value added by the capital works interventions and improve the longer-term sustainability of the capital investment.



*Mr Cassim Coovadia  
JDA Chairperson*

One of the key strategic objectives of the JDA is the promotion of economic empowerment through the structuring and procurement of JDA developments. This remains an area where the organisation must improve its performance in 2016/17. This specifically relates to the BBBEE and SMME expenditure and of course the City's own Jozi@Work programme. Here the Board is expecting more from the organisation towards labour intensive construction, with specific work packages for Jozi@Work SMME's and Co-ops, more effective contracting and contract management that ensures sustainability through meaningful enterprise development for both new and emerging contractors.

Given that the JDA is instrumental in the work needed to achieve the spatial and economic goals set out in the Joburg 2040 GDS, the vision guiding the CoJ the organisation is expected to be agile and operate smart (effective and efficient) but must also be sustainable (economical). Through the 2015/16 financial year the Board has therefore worked closely with management to address various operational inefficiencies which have hampered the delivery capacity and performance of the JDA. This includes all the necessary and appropriate internal control measures to ensure that the entity does not falter in its mission of retaining a clean audit report for 2015/16. The Board will continue to monitor the performance outcomes stemming from the improved operational structures, processes and systems as developed by management. I would also like to formally welcome Dr T Mukhuba who joined the JDA Board in March 2016.

Going into the 2016/17 financial year JDA Board is focused on ensuring that the JDA remains a sustainable, relevant and efficient entity of the City. We are all proud to play our role as non-executive directors in the nurturing the growth of the organisation.

A stylized, handwritten signature in black ink, consisting of a large, loopy initial 'C' followed by a long horizontal stroke.

**Mr. C Coovadia**  
**Chairperson**

## Section 7: Chief Executive Officer's Report

The JDA continues to work tirelessly towards the objective of transforming the spatial economy in Johannesburg through the implementation of the Corridors of Freedom. This entails the delivery of the Public Transport Backbone – consolidating appropriate growth and development opportunities around existing and future public transport nodes. Some of the key Corridors of Freedom projects implemented in 2015/16 include the Jabulani node and Nancefield Station precinct in Soweto, the Rotunda Park precinct in Turffontein, Westbury and Auckland Park NMT along the Empire-Perth Corridor and Paterson Park developments along the Louis Botha Corridor.

Overall in 2015/16, the JDA implemented over 90 capital projects across five programmes. The major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes i.e. 1C along Louis Botha Avenue, and the projects to install pedestrian and cycle paths (non-motorised transport, or NMT, infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.

Another highlight for the year was that JDA was able to obtain a Clean Audit Opinion from the Auditor-General for the 2014/15 year. Secondly the EcoMobility Festival was a success. It has proved that there is a clear need for a safe, affordable and an accessible integrated public transport system, of which JDA is contributing its part by putting in place a transport infrastructural network for the BRT, the first phase of this project, which is the Sandton Loop was completed in 2016.

The JDA, in respect of the City priority programmes (i.e. the House) continues to transform the space economy in Johannesburg through the implementation of the Corridors of Freedom. The JDA, through its Greenway Programme invests in the public transit and mobility infrastructure to promote walking, cycling, and sustainable public transport, along the corridor routes. Through the TOD / Station Precinct programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities, and good community services. The Development Facilitation unit continues to invest time and resources on development facilitation necessary in the corridors to catalyse development. With regards to Jozi@Work, the JDA approach involves contracting in selected developments, with a managing contractor responsible for subcontracting local SMME construction companies, and ensuring skills transfer within a construction contract period.

The JDA has made use of Jozi@Work for repairs and maintenance at JDA offices at the Bus Factory, as well as on contracted services on various CSI Projects in Alexandra.

Under the pillar of Smart Cities the JDA has been making final preparations for SAP project Systems to go live as planned in the 1<sup>st</sup> Quarter of the 2016/2017 financial year. Regarding communication and development, the roof of the House, the JDA continues to engage communities in all its development areas. It will continue to keep stakeholders informed, making sure there is accurate understanding of the impact of developments and ensure that stakeholders are actively engaged from project inception and play a meaningful role in shaping the outcomes and future custodianship of the development.



*Mr Thanduxolo Mendrew  
JDA CEO*

In terms of the JDA's 2015/16 performance, the organisation achieved 53% performance, 10% partially achieved and 38% not achieved.. While overall development progress and expenditure was good, there is was poor performance in Economic Empowerment and Productive Development Partnership KPI's. The overall BBBEE share of expenditure was R1.27 billion. This constitutes an achievement of 90 per cent. The SMME share of JDA's operating and capital expenditure was R228 million, an achievement of 16%. Regarding Media Reporting and Coverage, inclusive of electronic media, there was an average of 84 per cent positive or neutral coverage.

The staff organogram has 109 approved positions, 87 is the total number of JDA employees, and this includes 12 employees from the Sandton office on the City of Johannesburg Payroll. There are 22 vacant positions (20 funded and 2 unfunded) and recruitment process for the funded positions is underway.

The 2015/16 year was however not without some challenges. The falling of the temporary formwork of the Grayston pedestrian bridge came as a shock. The City and the JDA, through the Executive Mayor, immediately conveyed our sincerest condolences to the families that lost their loved ones and our apologies for those that have been injured and indirectly affected by this incident. The Department of Labour (DOL) has commenced with a formal inquiry in terms of Section 32 of the Occupational Health and Safety Act and the JDA continues to cooperate with this and all other enquiries to get to the bottom of what caused the unfortunate incident. Moving forward we will have to increase our vigilance in managing the overall safety in our projects, from inception through to completion. Under no circumstances can an accident of this nature happen again under our watch.

Other significant project implementation difficulties experienced during the year included:

- Delays in the finalisation of the agreement regarding the Post Office land have impacted the Kazerne development.
- The inability to secure alternative solutions for taxi ranking has impacted the Jack Mincer upgrade
- The delivery of the Orlando East Transit Oriented Development has been delayed due the dissatisfaction of members of community organized under the body called Orlando Task Team. Construction has not commenced due to safety and security concerns limiting access to contractors on site.
- Delays due to SMME performance in the Kliptown Precinct Re-Development (Phase 2). A SMME mentor has now been appointed to assist with the development of the SMMEs through the project.
- Contractor performance impacting the delivery of Nancefield Station Precinct (programme 2) and Langlaagte Pharmacy.
- Delays in a number of JDA projects in Alexandra due to SMME and community related issues. There is also a land dispute between the school and the City for the Old Ikage housing development in Alexandra.

Overall as one reflects back on over this five-year term which began with the 2010 FIFA Soccer World Cup the JDA has certainly led several seminal projects. The JDA was at the forefront of preparatory projects such as the upgrade of the sports precincts at Ellis Park and Nasrec/Soccer City. The JDA completed the BRT route connecting Soweto and Ellis Park through the inner city and refurbished the historic Chancellor House, which hosted Mandela and Tambo Attorneys during the 1950s. The JDA continued to implement the second phase of the BRT, linking Soweto and Parktown through historic suburbs such as Westbury, Noordgesig and Milpark. It has also focused on improving the city's green spaces, including the redesign of the Bruma Lake by re-establishing the natural river. The greening projects in Diepsloot and Orange Farm are examples of how the JDA rebuilds "complete streets" – public streets that reduce the emphasis on cars and refocus on new forms of mobility. This increased confidence in the agency's capacity to implement projects is clearly shown in its increased capital expenditure budget as outlined in the table below.

**Table 2: Performance of the JDA over the five year Mayoral term**

Performance Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
Number of Projects in the Implementation Phases	15	18	59	98	91



Performance Indicator	2011/12	2012/13	2013/14	2014/15	2015/16
Number of Employees	50	55	61	86	87
SMME Share of expenditure	R 9,500,000	R 8,600,000	R 266,788,408	R 390,342,000	R 228,748,457
BBBEE share of expenditure	R 395,218,496	R 310,200,000	R 952,029,254	R 1,466,054,000	R1,275,963,352
Operating Budget	R 49,000,000	R 46,000,000	R 62,200,000	R 88,853,200	R 105,185,000
Operating Expenditure	R 43,491,000	R 50,746,000	R 57,400,000	R 76,400,000	R 102,083,310
Capital Budget	R 637,236,000	R 376,614,000	R 807,884,000	R 1,678,046,000	R 1,599,560,995
Capital Expenditure	R 466,720,000	R 341,871,000	R 665,700,000	R 1,426,557,000	R 1,482,716,598
No. of EPWP Work Opportunities	3571	2737	1741	9611	1219
Positive media reports as a % of the total number of media reports on JDA development areas	103%	96%	97%	86%	84%

The institutional review at the beginning of the new mayoral term extended the JDA's mandate from being a project implementation agency that catalyses economic growth to one that focuses on reorienting the space economy in Johannesburg. Given this new mandate, which it hopes will leave a lasting legacy for the citizens of Johannesburg.

As we proceed into the next five year cycle, the agency is operating at full capacity at our offices in the Bus Factory in Newtown, the draft space planning concept to optimise the use of the space that is available to us has been completed. The aim is to both redo and to adapt some of the vacant spaces in the Bus Factory to better accommodate the growing staff complement and the increased activity that we are experiencing.

The decision by the CoJ to adopt a multi-year budget cycle has also begun to bear positive fruit for the planning and implementation of JDA projects. This has, in the year under review, enabled the JDA to put the majority of its professional teams in place so that it can begin new projects on time and also continue with projects already underway into the new financial year. There remains room to improve and innovate, particularly with regard to dealing with project delays and community awareness and consultation. The JDA will also be investing a greater amount of time on development facilitation in the Corridors of Freedom projects and will deepen its engagement with communities and members of the public along the way. This includes introducing public participation in the planning stage, consulting with communities and affected parties during the design stage, and involving community members in projects to allow the project to tell the story of the neighbourhood.

The executive management is confident that in the new financial year, we will increase the entity's provision of Jozi@Work packages to perform at levels exceeding our performance in procuring from and supporting local SMMEs in construction.

I would like to thank the executive team and every JDA staff member for their unwavering dedication to the achievement of our objectives, and the Board for their steadfast leadership and guidance throughout the year.



**Thanduxolo Mendrew**  
**Chief Executive Officer**

## Section 8: Chief Financial Officer's Report

The office of the Chief Financial Officer was responsible for two functional areas i.e. Finance and Supply Chain Management. Through the operation of these divisions we served to integrate the business into a cohesive unit in servicing both our internal and external stakeholders and surpassing some of our targets.

Actual surplus before taxation of R5 million (2014/15: R22.9million) was recorded against a balanced operational budget. The impact of the deferred tax adjustment of R2.2million (2014/15: R6.6million) resulted in a net surplus of R2.8million (R2014/15: R16.3million) for the year under review. The organisation achieved 99.6% (2014/15: 100%) of the budgeted revenue and 94.9% (2014/15: 84%) of the budgeted operational expenditure.

The organisation's total assets exceeded the total liabilities. The total net assets at 30 June 2016 were R70 392 518 (2014/15: R67 638 918). The net assets include accumulated reserves of R54 114 894 (2014/15: R51 361 294).

The table below reflects the financial position and financial performance of the organization for the year under review:

**Table 3: Financial position and financial performance**

Key Performance Area	Key Performance Target <sup>2</sup>	Actual 30 June 2015	Actual 30 June 2016
Current ratio	Above 1 : 1	1.09 : 1	1.08 : 1
Solvency ratio	Above 1 : 1	1.08 : 1	1.08 : 1
Salaries to expenditure ratio	Below 60%	61%	60%
Revenue	R105.2 million	R99.3 million	R104.8 million
Expenditure (including taxation)	R105.2 million	R82.9 million	R102.1 million
Surplus / (Deficit)	R nil	R16.4 million	R2.8 million
Total net assets	R47.4 million	R67.7 million	R70.4 million
Capital expenditure	100%	87%	92%
B-BBEE expenditure	100%	91%	90%
SMME Expenditure	40%	29%	16%

In the year under review development management fees, the main income source for the JDA, accounted for 68% of the revenue earned compared to 71% in the previous financial year. This was largely due to the adjusted capital budget allocation for the 2015/16 financial year of R1.6 billion compared to R1.7 billion in the 2014/15 financial year. The said revenue was earned from spending 92% of the allocated adjusted budget as opposed to 87% capital spent during the 2014/15 financial year. The challenge however remains being able to spend the entire allocated capital budget in order to earn the development management fees. This feat will be achieved through amongst others, a combination of adequate capacitation of the organization with the correct skilled individuals as well as proper planning of projects.

The organization's ability to generate revenue is almost entirely dependent on its ability to spend the capital budget allocated, that is own capital as well as capital implemented on behalf of other departments and



*Zandile Mafata  
JDA CFO*

<sup>2</sup> Given the specificity of JDA's business the JDA has where necessary its Key Performance Target defined and agreed to by the Shareholder

entities. With indications from CoJ Budget Office pointing towards a declining operational subsidy, the reliance on management fees generated from spending allocated capex budget to cover operational expenditure is becoming a reality the organization must live with.

To achieve a break even position does not only require focusing on generating the revenue but it also requires the continuous monitoring of operational costs. Simply put costs have to be monitored to the extent that at any given point the revenue being generated is sufficient to cover the operational costs. Approved procurement plans and the implementation thereof must be monitored closely throughout the year against targets set. The mid-year adjustment budget process is to be used as an effective tool to consider the following:

- organization's position regarding revenue already generated,
- the realistic capital to be spend from the unspent allocated budget,
- organization's ability to generate sufficient revenue to cover the operational expenditure incurred and committed,
- measures to be implemented to align the operational expenditure with the realistic revenue to be generated.

For the 2016/17 financial year the organization needs to, as a bare minimum, learn from the tough lessons of the 2015/16 financial year and come up with effective strategies to address all the internal deficiencies which are likely to result in the organization not achieving a breakeven position.

As at 30 June 2016 the organization had capital commitments of R1.4 billion. These are multi-year contracts awarded and contractors & professional teams appointed for which expenditure has been incurred in part or is still to be incurred. These awards were made after the normal supply chain management processes had been followed. Such an order book means the organization is poised to start the first quarter of 2016/17 financial year with some contracts already in the construction phase and this is likely to improve the first quarter expenditure levels.

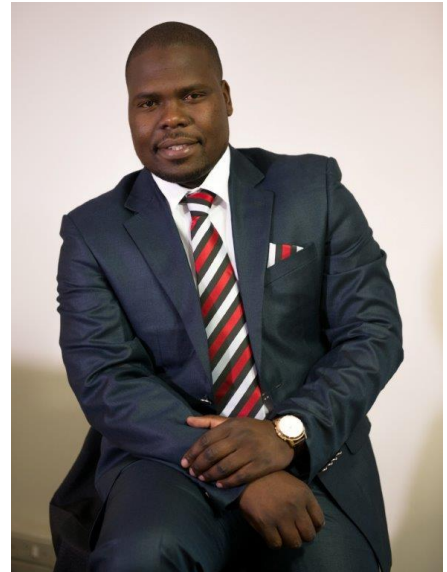
Throughout the financial year the JDA's Internal Audit conducted various audits including but not limited to the Financial Discipline and Supply Chain Management Reviews in order to assist management in improving the organization internal control environment and assist in the organization objective of maintaining a clean audit for the year ended 30 June 2016.



**Zandile Mafata**  
**Chief Financial Officer**

## Section 9: Company Secretary's Certification

In terms of section 88(2)(e) of the Companies Act (2008), I certify that, to the best of my knowledge and belief, the company has lodged and/or filed, for the financial year ended 30 June 2016, all such returns and notices as required and that all such returns and notices are true, correct and up to date.



A handwritten signature in black ink, consisting of several overlapping loops and a horizontal line at the bottom.

**Hasani Rodney Shirinda**  
**Company Secretary**

## **CHAPTER 2: GOVERNANCE**

## Section 1: Corporate Governance Statement

### Governance Framework

The JDA recognises that conducting its affairs with integrity will ensure that the public and its parent municipality, the CoJ Metropolitan Municipality, have confidence in its work. To that end the JDA's Board of Directors and executive management team subscribe to the governance principles set out in the Code of Conduct for Directors referred to in section 93L of the Municipal Systems Act, circular 63 of the MFMA and the King III code.

The Board also actively reviews and enhances the systems of internal control and governance procedures in place to ensure that the JDA is managed ethically and within prudently determined risk parameters. During the period under review, the Board conducted assessments to ensure that the JDA complied with the requirements of the Companies Act, the Municipal Systems Act and the MFMA.

### JDA's Governance Arrangements

The JDA is accountable to the Department of Development Planning, which provides direction on contractual obligations and to the Member of the Mayoral Committee for Development Planning, who exercises political oversight. The JDA also falls under the Economic Development Mayoral Cluster Committee, which ensures that the work of departments and entities responsible for the city's spatial transformation and economic growth is integrated and coordinated. The Council's Portfolio Committee on Development Planning provides political oversight of the JDA's activities and functions.

The JDA must perform according to a service delivery agreement and performance objectives set by the City of Tshwane.

The JDA's management is accountable for strategic and operational matters to the Board of Directors, which controls and maintains a fiduciary relationship with the company. The JDA coordinates its area-based development activities and other catalytic interventions with the Department of Development Planning and engages with client departments in the design and construction of infrastructure assets.

#### The Legislative framework

The legislative framework for municipal entities came into effect through amendments to the Municipal Systems Act (MSA) and the passing of the Municipal Finance Management Act (MFMA). The new provisions of the MSA, including Chapter 8A, came into effect on 1 August 2004. The bulk of the provisions of the MFMA took effect on 1 July 2004 with some transitional provisions based on municipal capacity. The MSA defines three types of entities that may be established by a municipality with effect from 1 August 2004, namely private company, service utility or multi-jurisdictional service utility. Before the MSA and MFMA requirements took effect, municipalities used various arrangements to deliver services and manage functions. These included trusts, section 21 companies and private companies. In view of the legislative framework, municipalities are required to review these structures and either convert them to an entity or disestablish them if they are no longer required. A review would cover such things as the appropriateness of governance structures to provide effective municipal oversight, accountability and transparency.

### Implementation of King III

The Board and management team are committed to the principles of openness, integrity and accountability advocated by King III. The JDA made progress during the reporting period towards entrenching and strengthening the implementation of the recommended practices in its governance structures, systems, processes and procedures. The internal audit team provided regular feedback to the Audit and Risk Committee, which is responsible for monitoring compliance with King III.

The entity applies the governance principles contained in King III as far as it applies to it and continues to further entrench and strengthen recommended practices in its governance structures, systems, processes and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity and accountability advocated by the King III Code on Corporate Governance. Through this process, shareholders and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. Monitoring the entity's compliance with King III Code on Corporate Governance forms part of the Shareholder mandate of the audit committee. The entity has complied with the Code in as far as it applies to it during the year under review.

The Board of Directors has incorporated the City of Johannesburg's Corporate Governance Protocol in its Board Charter, which inter alia regulates its relationship with the City of Johannesburg as its sole member and parent municipality in the interest of good corporate governance and good ethics.

The Protocol is premised on the principles enunciated in the King III Report for Corporate Governance for South Africa 2009 (King III). The Entity steadfastly consolidated its position in respect of adherence to the King III report on Corporate Governance. The entity practices are, in most material instances, in line with the principles set out in the King III. Ongoing steps are however taken to align practices with the King III's recommendations and the Board of Directors continually reviews progress to ensure that the entity improves its Corporate Governance. During the year under review the Company entrenched its risk management reviews, reporting and compliance assessments were conducted in terms of the Companies Act, the Municipal Systems Act (MSA) and the Municipal Finance Management Act (MFMA). The annual Board assessments and evaluations were conducted and an annual report for the previous year was effectively completed in accordance with section 121 of the Municipal Finance Management Act

### **Ethical Leadership**

The board provides effective leadership based on a principled foundation and the entity subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of the entity since the company's establishment in 2001.

The fundamental objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the board is sensitive to the legitimate interests and expectations of the entity's stakeholders.

### **Corporate citizenship**

As an entity of a municipality, the JDA has social and moral obligations to the citizens. The Board is responsible for ensuring that the JDA protects, enhances and invests in the economy, society and the natural environment, and pursues its activities within the limits of social, political and environmental responsibilities outlined in international conventions on human rights.

### **Compliance with laws, rules, codes and standards**

The Board is responsible for ensuring that the entity complies with applicable laws and considers adherence to non-binding rules, codes and standards. The company secretary certifies that all statutory returns have been submitted to the Registrar of Companies in terms of section 268(d) of the Companies Act. The internal audit team provides assurance on the JDA's compliance with laws and regulations.

## Citizen Involvement in Plan-Making and Project Implementation

The City and the JDA is continually working on ensuring more involvement of communities and individuals in the preparation of plans and project implementation, and a better interface between officials and the public.

In the preparation of the Integrated Development Plan (which includes the Spatial Development Framework) and also in the annual revision of the Regional Spatial Development Framework, there is a structured participation process, which includes public meetings and which allows any interested party to comment on, or object to, any provision in a proposed plan.

For area based planning, the JDA's participation is structured in a number of ways, including key public meetings at the start of the process and at the point of draft proposals. But other participatory methods such as stakeholder meetings, information leaflets, etc. are also used depending on the context and project.

Citizens can also get involved with developing detailed precinct plans for their own areas at neighbourhood level. In many areas these plans are initiated by the residents of a particular area. The planning department is investigating ways of helping people to pool their resources in communities in order to participate in preparing precinct plans.

The local Ward Councillor, Ward Committees and residents' associations are the key link for citizens to get involved in public participation processes in planning and project development.

## Section 2: Board of Directors

### Introduction

The JDA has a unitary board, which comprises both executive and non-executive directors. Cassim Coovadia is chairperson of the Board and a non-executive director. The JDA's sole shareholder, the CoJ, reviews the term of office for non-executive directors every year at the annual general meeting.

The Board is accountable to the CoJ and the citizens of Johannesburg. A service delivery agreement and shareholder compact, concluded in accordance with the provisions of the Municipal Systems Act, govern the entity's relationship with the CoJ. The Board provides monthly, quarterly, biannual and annual reports on its performance and service delivery to the parent municipality as prescribed in the service delivery agreement, the shareholder compact, the MFMA and the Municipal Systems Act. The JDA published its annual report in 2015/16 in line with section 121 of the MFMA and has prepared this report accordingly.

Non-executive directors maintain an independent stance to matters under consideration and add to the Board's depth of experience. The roles of the chairperson and chief executive officer are separate, with responsibilities divided between them. Members have unlimited access to the company secretary, who acts as an advisor to the Board and its committees on matters such as corporate governance, compliance with company rules and procedures, statutory requirements, regulations and best corporate practices.

The Board or any of its members may, under appropriate circumstances and at the expense of the company, obtain the advice of independent professionals.

Shortcomings are addressed and areas of strength are consolidated during an annual Board evaluation. The performance of the Board committees is evaluated against their terms of reference.

### Composition of the Board

Member	Period of Membership	Qualification/s	Race	Gender	Board committee membership
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Member	Period of Membership	Qualification/s	Race	Gender	Board committee membership
Mr C Coovadia (Chairperson)	25 February 2014 to date	BCom Effective Directors Programme Governance Housing Finance Finance	Indian	Male	<ul style="list-style-type: none"> <li>Development and Investment</li> </ul>
Mr K Govender	25 February 2014 to date	CA (SA) BCom and Honours	Indian	Male	<ul style="list-style-type: none"> <li>Audit and Risk</li> <li>Development and Investment</li> </ul>
Dr E Harvey	25 February 2014 to date	PhD (Sociology) Master's Degree (Public Development and Management)	Coloured	Male	<ul style="list-style-type: none"> <li>Human Resources and Remuneration</li> <li>Social and Ethics</li> </ul>
Ms Z Mafata (CFO)	25 February 2014 to date	BCom and Honours (Accounting)	Black	Female	<ul style="list-style-type: none"> <li>Social and Ethics</li> <li>Development and Investment</li> </ul>
Ms P Mashiane	24 April 2012 to date	BSc (Chemistry) Project Management Post-graduate Diploma (Marketing) MBA	Black	Female	<ul style="list-style-type: none"> <li>Social and Ethics</li> <li>Development and Investment</li> </ul>
Mr P Masilo	1 October 2008 to date	B Proc LLB	Black	Male	<ul style="list-style-type: none"> <li>Development and Investment</li> <li>Social and Ethics</li> </ul>
Mr T Mendrew (CEO)	1 September 2007 to date	BProc LLB	Black	Male	<ul style="list-style-type: none"> <li>Development and Investment</li> <li>Social and Ethics</li> </ul>
Dr TT Mukhuba	1 March 2016 to date	PhD in English Studies	Black	Male	<ul style="list-style-type: none"> <li>Human Resource and Remuneration</li> <li>Audit and Risk</li> </ul>
Ms N Selamolela	25 February 2014 to date	BCompt (Honours)/CTA BCom (Accounting)	Black	Female	<ul style="list-style-type: none"> <li>Audit and Risk</li> <li>Human Resources and Remuneration</li> </ul>
Prof D Thwala	24 April 2012 to date	PhD (Eng.) MSc (Eng.) MSc(Dev. Planning) Pr CPM FCIQB	Black	Male	<ul style="list-style-type: none"> <li>Development and Investment</li> <li>Human Resources and Remuneration</li> </ul>
Mr P Zagaretos	October 2014 to date	BSc (QS) MSc (QS) MRICS	White	Male	<ul style="list-style-type: none"> <li>Development and Investment</li> <li>Social and Ethics</li> </ul>
<b>Independent Audit Committee Members</b>					
Ms M Dolamo	3 February 2015 to date	BCom and Honours (Accounting) CTA CA (SA)	Black	Female	<ul style="list-style-type: none"> <li>Audit and Risk</li> </ul>
Ms K Onuoka	15 March 2016 to date	CIS Qualification (Institute of Chartered Secretaries and Administrators)	Black	Female	<ul style="list-style-type: none"> <li>Audit and Risk</li> </ul>
Mr Z Samsam	25 February 2014 to date	CA (SA) MCom (Finance)	Black	Male	<ul style="list-style-type: none"> <li>Audit and Risk</li> </ul>

The JDA's directors bring together a range of complementary skills and experience that benefit the entity, including accounting, finance, legal, business management, human resources, labour relations, marketing, construction and development management.

## Duties of the Board

The Board retains full and effective control over the organisation and monitors the implementation of the JDA's strategic programmes. It sets the agency's strategic direction and monitors overall performance. The duties of the Board include:

- Providing effective, transparent, accountable and coherent oversight of the JDA's affairs.
- Ensuring that the JDA complies with all applicable legislation, the service delivery agreement and the various shareholder policy directives issued by its parent municipality from time to time.
- Dealing with the CoJ in good faith and communicating openly and promptly on all pertinent matters requiring the attention of its shareholder.
- Determining and developing strategies that set out the organisation's purpose and values in accordance with the shareholder mandate and strategic documents such as the integrated development plan.
- Reviewing and approving financial objectives, including significant capital allocations and expenditure as determined by the CoJ.
- Considering and ensuring that the entity's size, diversity and skills are sufficient to achieve its strategic objectives.

## Board charter

The Board of Directors has incorporated the CoJ's corporate governance protocol into its charter, which regulates its relationship with the CoJ as its sole member and parent municipality in the interest of good corporate governance and good ethics. The protocol is premised on the principles of King III. The charter sets out the composition and powers of the Board.

## Board meeting attendance

The Board meets at least four times a year to consider matters reserved for its attention. Attendance at meetings held during the year under review is outlined below.

### Board meeting attendance – July 2015 to June 2016

Name	No. of meetings	Attendance	Apology	Absent
C Coovadia (Chairperson)	8	6	2	0
K Govender	8	8	0	0
E Harvey	8	8	0	0
N Selamolela	8	7	1	0
P Masilo	8	8	0	0
P Mashiane	8	6	2	0
W Thwala	8	8	0	0
P Zagaretos	8	8	0	0
T Mendrew	8	8	0	0
Z Mafata	8	6	2	0

### Board meeting attendance – July 2015 to March 2016

Name	No. of meetings	Attendance	Apology	Absent
N Maila	5	5	0	0

\* N Maila retired as director at the AGM of 15 March 2016

### Board meeting attendance – March 2016 – June 2016

Name	No. of meetings	Attendance	Apology	Absent
T Mukhuba	3	1	2	0

## Section 3: Board Committees

The JDA has four Board committees, which execute their duties as set out in specific terms of reference. Matters of ethics, procedure and the conduct of committee members are set out in the Board charter. A non-executive director chairs each committee. During the reporting period, the Board committees were as follows:

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

The Board committees meet on a regular basis. Meeting attendance for 2015/16 is set out in the table.

### Board committees meetings and attendance – July 2015 to June 2016

Name	Audit and Risk				Development and Investment				Human Resources and Remuneration				Social and Ethics			
	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent
C Coovadia					5	3	2	0								
K Govender	7	7	0	0	5	4	1	0								
E Harvey									4	4	0	0	3	3	0	0
Z Mafata	7	7	0	0	5	5	0	0	4	3	1	0	3	3	0	0
P Mashiane					5	4	1	0					3	3	0	0
T Mendrew	7	6	1	0	5	4	1	0	4	3	1	0	3	2	1	0
N Selamolela	7	7	0	0					4	4	0	0				
P Zagaretos					5	4	1	0					3	3	0	0
M Dolamo (Independent Audit and Risk member)	7	6	1	0												
Z Samsam (Independent Audit and Risk member)	7	6	1	0												

### Board committees meetings and attendance – July 2015 to March 2016

Name	Audit and Risk				Development and Investment				Human Resources and Remuneration				Social and Ethics			
	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent
N Maila	5	4	1	0					4	1	2	1				
B Kelly (Independent Audit and Risk member)	5	3	2	0												
W Thwala					5	5	0	0					3	2	1	0

\* N Maila was rotated at the AGM of 15 March 2016; B Kelly resigned on 7 January 2016; Prof W Thwala changed membership from Social and Ethics Committee to HR an REMCO on 1 April 2016

## Board committees meetings and attendance – March 2016 to June 2016

Name	Audit and Risk				Development and Investment				Human Resources and Remuneration				Social and Ethics			
	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent	No. of meetings	Attendance	Apology	Absent
W Thwala					2	2	0	0	1	1	0	0				
P Masilo					2	1	1	0					3	3	0	0
T Mukhuba	3	1	2	0					1	1	0	0				
K Onuoka	3	2	1	0												

\*Prof W Thwala changed membership from Social and Ethics Committee to HR and REMCO in April 2016; Mr P Masilo changed membership from HR and REMCO to Development and Investment Committee in April 2016; Dr T Mukhuba appointed as Non-Executive Director at the AGM of 15 March 2016; K Onuoka appointed as Independent Audit Committee member at the AGM of 15 March 2016.

### Audit and Risk Committee

The Audit and Risk Committee, which meets at least four times a year, comprises three non-executive directors and three independent members. The committee members are:

- K Govender (Chairperson)
- N Selamolela
- T Mukhuba (Appointed at the AGM of 15 March 2016)
- N Maila (Retired at the AGM of the 15 March 2016)
- M Dolamo (Independent member)
- Z Samsam (Independent member)
- K Onouka (Independent member – appointed at the AGM of 15 March 2016)
- B Kelly (independent member – resigned on 7 January 2016)

Most committee members have the collective skills with financial and audit backgrounds, which ensures that the committee is able to execute its mandate.

The committee is responsible for ensuring that all of the JDA's activities are subject to independent and objective review and financial performance oversight. It operates within the parameters of the Audit and Risk Committee charter; the terms of reference are guided by the provisions of section 166 of the MFMA and Circular 65.

The Audit and Risk Committee is responsible for:

- Reviewing the JDA's internal controls and financial reports for statutory compliance and alignment with standards of best practice, and recommending appropriate disclosures to the Board.
- Reviewing reports from management, risk and compliance, and internal and external auditors to provide reasonable assurance that control procedures are in place and are being followed.
- Reviewing the quarterly financial performance reports and annual financial statements before submission to the Board, focusing particularly on any changes in accounting policies and practices.
- Reviewing and monitoring enterprise risk management processes and ensuring that management implements appropriate risk management mitigation strategies.
- Determining the levels of risk tolerance and risk appetite and monitoring that risks are managed within predetermined levels.
- Determining a framework for good governance and ethical conduct across the entity.

The external and internal auditors attend these meetings, and have direct access to the committee chairperson. The Audit and Risk Committee met 7 times in 2015/16 and considered the following matters, among others:

- The committee's charter and internal audit charter.

- The 2016/17 Business Plan. The committee recommended the business plan to the Board for approval.
- Monitored management progress on resolution of internal and external audit findings.
- Internal audit reports.
- Enterprise-wide risk management framework.
- Fraud and corruption management framework and policies.
- Strategic risks register and related policies.
- Internal audit three-year rolling plan.
- Quarterly performance reports.
- Quarterly risk management report.

Due to the nature of the JDA's business in a high-risk environment involving planning, development construction and procurement, the committee resolved to hold separate meetings to consider risk matters separately from audit and financial management-related matters. The Audit and Risk Committee, assisted by internal audit, continued to monitor the JDA's internal control environment and ensured that management continued to implement recommendations by internal audit in an effort to achieve a clean audit.

### **Development and Investment Committee**

The Development and Investment Committee is responsible for evaluating development proposals and making recommendations to the Board. This entails:

- Assessing business risks associated with developments undertaken by the JDA with a view to ensuring that these are mitigated to acceptable levels;
- Reviewing development contracting strategies undertaken by the JDA to inform contracting practice and development expenditure;
- Reviewing the development plans that are produced for the JDA to define the investment pipeline over the medium term;
- Reviewing Quarterly performance reports, periodic impact assessments, and independent critiques to guide development and operational practice;
- Reviewing criteria and targets for investments on behalf of the clients;
- Evaluating and making recommendations to the Board on the proposed new development projects;
- Developing an understanding of key stakeholders and development partners; and
- Reviewing of strategic, targeted and responsive engagement activities;
- Identifying support for the development of key catalytic projects. This may include property owners and developers, project funders, urban management partnerships and community based organisations.

During 2015/16, the following members served on the Development and Investment Committee:

- P Zagaretos (Chairperson)
- W Thwala
- C Coovadia
- P Mashiane
- K Govender
- P Masilo (Became a member of Development and Investment Committee in April 2016)
- T Mendrew
- Z Mafata.

Meetings are held bimonthly or as required by the chairperson. The committee met five times in 2015/16 and consolidated the following matters, among others:

- Development Contracting Strategies for 2015/16
- The 2015/16 Business Plan
- Quarterly Performance Reports
- Updates on development progress and challenges for all development portfolios.

### **Human Resources and Remuneration Committee**

In line with corporate governance best practice, the Board maintains a Human Resources and Remuneration Committee. The committee is made up of four non-executive directors and is chaired by a non-executive chairperson. The members of the committee are:

- N Selamolela (Chairperson)
- E Harvey
- W Thwala (Became a member of HR and REMCO in April 2016)
- T Mukhuba (Became a member of HR and REMCO in April 2016)
- P Masilo (Changed membership from HR and REMCO to Development and Investment Committee in April 2016)
- N Maila (Retired at the AGM of 15 March 2016 and ceased to be a member of HR and REMCO).

The committee meets at least 4 times a year. The executive directors are excluded from the Human Resources and Remuneration Committee meetings when matters relating to their remuneration are discussed.

The committee is responsible for drafting human resources policies and strategies for the organisation and recommending the approval of the remuneration for the chief executive officer, senior executives and staff to the Board of Directors. It ensures that the remuneration of the chief executive officer and senior management are within the upper limits, as determined by the CoJ, in accordance with the provisions of section 89(a) of the MFMA. The remuneration of the chairperson, the non-executive directors and independent Audit and Risk Committee members is determined by the parent municipality. The committee deals with all matters that relate to the management of human capital in the entity.

The committee met 4 times in 2015/2016 to discuss:

- Quarterly human resources reports
- The employee climate survey progress report
- The staff establishment report
- Performance incentive bonuses for employees, including senior managers
- Corporate social investments implementation reports
- Job creation and Jozi@Work implementation reports.

### **Social and Ethics Committee**

The Social and Ethics Committee acts as the social conscience of the business and ensures that the JDA conducts itself as a responsible corporate citizen. This means ensuring that the JDA conducts its business in a sustainable manner, having regard to the environment, fostering healthy relationships with all its stakeholders and considering the impact of its work within the community. The committee also considers the treatment of and investment in employees, health and safety practices, black economic empowerment and the ethical corporate culture.

The following members served on the committee during the period under review:

- P Mashiane (chairperson)
- P Masilo
- E Harvey
- P Zagaretos
- T Mendrew
- Z Mafata
- W Thwala (Changed membership from Social and Ethics Committee to HR and REMCO in April 2016).

The committee met 3 times during 2015/2016 to discuss:

- Marketing and communications progress reports
- Stakeholder Engagement Plan progress reports
- Enterprise development results for the period July 2015 to 30 April 2016

- Quarterly ethics and fraud reports
- Integrated occupational health and safety quarterly reports
- Progress made in the development of SMMEs and impact on the enterprise development programme
- Progress made in relation to the Alexandra renewal project close-out report
- Corporate social investment implementation reports
- Job creation and Jozi@Work implementation reports.

## Section 4: Directors' Remuneration

The JDA remunerates the non-executive directors and independent audit committee members in accordance with the policy and in the amounts determined from time to time by the City of Johannesburg Metropolitan Municipality, acting in its capacity as the sole shareholder of the JDA. The foregoing position was reaffirmed by special resolution at the 2015 annual general meeting. The non-executive directors and independent audit committee members are paid per meeting. Executive directors and prescribed officers are employees of the JDA and do not receive any additional remuneration by reason of their office. The table below reflects the gross or cost to company amounts paid by the JDA in relation to non-executive directors' and independent audit committee members' fees.

### Board of Directors and senior management remuneration and allowances for 2015/16

Name	Designation	Salary/Board Fees	Pension	Bonus/Board Retention Fees	Travel allowance	Total
<b>Executive Directors &amp; Senior Management</b>						
T. Mendrew	CEO	1,703,610				1,703,610
Z. Mafata	CFO	1,407,953		-		1,407,953
D. Cohen	EM: Strategy & Planning	1,078,037	52,554			1,130,591
B Magoso	EM: Corporate Services	1,228,656	59,487			1,288,143
R. Shirinda	Company Secretary	1,228,197	46,290			1,274,487
B. Mbewu	Chief Audit Executive (Resigned 31 August 2015)	190,188	7,579		20,000	217,767
C. Botes	EM: Development Facilitation	988,468			30,000	1,018,468
Z. Tshabalala	Chief Audit Executive (Appointed 01 December 2015)	503,461	27,853		72,000	603,314
L. Visagie	Senior Development Manager (Resigned 30 June 2016)	1,324,765	53,967		75,000	1,453,732
S. Genu	Senior Development Manager	1,205,491	48,973			1,254,464
A. Noholoza	Senior Development Manager (Resigned 01 November 2015)	878,759	15,256			894,015
<b>Sub-Total</b>		<b>11,737,585</b>	<b>311,959</b>	-	<b>197,000</b>	<b>12,246,544</b>

Name	Designation	Salary/Board Fees	Pension	Bonus/Board Retention Fees	Travel allowance	Total
<b>Non-Executive Directors &amp; Independent Audit Committee Members</b>						
C Coovadia	Chairperson	127,778		45,626		173,404
P Masilo	Board Member	94,706		22,816		117,522
P Mashiane	Board Member	86,710		22,816		109,526
W Thwala	Board Member	102,736		22,816		125,552
E Harvey	Board Member	101,543		22,816		124,359
K Govender	Board Member	183,680		22,816		206,496
N Maila	Board Member	73,014		22,816		95,830
P Zagaretos	Board Member	78,680		22,816		101,496
B Kelly	Board Member	17,112		22,816		39,928
M Dolamo	Board Member	20,088		22,816		42,904
T Mukhuba	Board Member	21,678				21,678
K Onuoka	Independent Audit and Risk Committee Member	11,408		-		11,408
N Selamolela	Independent Audit and Risk Committee Member	128,919		22,816		151,735
Z Samsam	Independent Audit and Risk Committee Member	34,224		22,816		57,040
<b>Sub-Total</b>		<b>1,082,276</b>	<b>-</b>	<b>296,602</b>	<b>-</b>	<b>1,378,878</b>
<b>TOTAL</b>		<b>12,819,861</b>	<b>311,959</b>	<b>296,602</b>	<b>197,000</b>	<b>13,625,422</b>

The directors' emoluments were taxed according to South African Revenue Services' guidelines.

### Loans and advances

In accordance with the provisions of the MFMA, the JDA has a strict policy in place that prohibits it from providing loans or advances to directors and employees; therefore, no loans or advances were made during the period under review. The agency did not provide loans to any organisation or person outside of or in the employ of the JDA.

## Section 5: Company Secretary Function

All directors have access to the advice and services of the company secretary, HR Shirinda, who acts as the link between management, the Board and the shareholder. The company secretary is responsible for the flow of information to the Board and its committees and ensures compliance with Board procedures. In addition to various statutory functions, the company secretary provides individual directors and the Board as a whole with guidance on their duties, responsibilities and powers, as well as the impact of legislative and regulatory developments, while maintaining an arm's-length relationship with the Board.



The Board has empowered the company secretary with the responsibility of advising the Board, through the chairperson, on all governance matters, including the duties set out in section 88 of the Companies Act.

## Section 6: Risks, Opportunities and Internal Controls

The JDA's Board monitors risk through the Audit and Risk Committee, which ensures that there is an effective risk management process and system in place. The committee also recommends risk strategies and policies that need to be set, implemented and monitored. The JDA Board is responsible for identifying, assessing and monitoring the risks presented by the Audit and Risk Committee.

The JDA has a risk management strategy, which follows an enterprise-wide risk management system in which all identified risk areas are managed systematically and continuously at departmental level, and a risk register. The register is treated as a working risk management document because risks are constantly recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

The JDA submits its risk management reports to the CoJ's Group Risk and Governance Committee. The committee assesses all risk affecting the CoJ and its municipal entities in a holistic manner and makes recommendations to the City Manager and Council on the general effectiveness of risk management processes in the CoJ.

### Risk Management Process

Risk identification and assessment is an on-going process. The JDA conducts an annual strategic and operational risk assessment workshop. This process is supported by an on-going risk management process at departmental level; all staff are encouraged to take ownership of risk.

The following risk management programmes and activities were implemented during the 2015/2016 financial year are as follows:

- Strategic Risk Register and the monitoring
- Operational Risk Register and the monitoring
- Reviewed and updated the Strategic Risk Register for 2016/2017
- Enterprise-Wide Risk Management Training
- Ensured adequate Insurance Risk Cover for 2015/2016
- Compiled Universal Regulatory Register
- Fraud Risk Awareness JDA wide
- Initiated the process of an Ethics Management Programme
- Risk Management Performance Indicators incorporated in Managers' Scorecards

The Executive Committee and the Audit and Risk Committee will continue to monitor the implementation of the documents listed above to ensure that the organisation is proactive in addressing risks and strengthening its internal control environment.

### Strategic Risk Register

The JDA's risk management strategy is guided by the principles of the enterprise-wide risk management system. The JDA's strategic risk register is treated as a working document. Identified risks are recorded and the management thereof is constantly monitored. Management monitors and evaluates the implementation and efficiency of controls.

Effective risk management is fundamental to the JDA's business activities. The organisation is committed to achieving its strategic goals and increasing shareholder value by facilitating, developing and implementing infrastructure projects on behalf of the CoJ. The JDA seeks to achieve an appropriate balance between risk and reward in the business. It continues to build and enhance the risk management capabilities that assist in achieving its goals in a controlled environment.

The JDA conducts an annual strategic risk assessment workshop to ensure that there is a link between risk management and the business planning processes.

A total of 15 strategic risks were identified over the short, medium and long in 2015/16 and are linked to eight JDA strategic objectives.

No.	Project description	Short Term	Medium Term	Long term
1.	Failure to delivery capital projects on time.	X		
2.	Failure to deliver capital projects within budgets	X		
3.	Inability to deliver the ARP mandate		X	
4.	Failure to optimise shared economic growth impacts resulting from JDA infrastructure investment			X
5.	Failure to create adequate number of short term jobs	X	X	
6.	Failure to meet the BBBEE/SMME procurement targets.	X	X	X
7.	Failure to adequately manage stakeholder expectations	X	X	
8.	Failure of financial management processes	X		
9.	Financial sustainability of the organisation			X
10.	Fraudulent and corrupt activities.	X	X	X
11.	Failure to comply with SCM regulations and applicable laws	X		
12.	Reporting inaccurate performance information (over or under reporting).	X	X	
13.	Collapse of ICT environment.	X		
14.	Non-compliance with applicable laws and regulations	X		
15.	Failure to attract, develop and retain skilled employees.	X	X	X

Of the 15 strategic risks, management identified five critical risks that required urgent attention and close monitoring. These risks are ranked highly in accordance with the residual risks rating and pose significant threat to the business of the JDA.

The critical risks identified were:

- Failure to deliver capital projects on time
- Failure to deliver capital projects within budgets
- Inability to deliver the ARP mandate
- Failure to adequately manage stakeholder expectations
- Failure to attract, develop and retain skilled employees.

### Implementation progress and impact analysis

The JDA has implemented additional controls for these critical risks which have all been implemented with a few exceptions. Control effectiveness is measured by the JDA's overall performance, compliance with applicable laws and regulations and total budget spent.

At the beginning of 2015/16, the critical risks had a residual risk rating of medium after taking the current controls into account. This meant that management had to further mitigate current controls to further reduce the residual risk rating to an acceptable level. Although significant work has been undertaken to address these

risks, more work is needed to address the complexities experienced in Alexandra, Orlando East and Kliptown during the implementation of projects.

The critical challenges identified were as follows:

- Lack of consensus on developmental outcomes
- Unrealistic community expectations and service delivery protests
- Lack of capacity and requisite skills to deliver projects in volatile areas
- Risk management not fully institutionalised within the JDA.

To address these challenges, the JDA:

- Developed a development facilitation and stakeholder management framework to effectively address how to implement projects with minimal resistance from key stakeholders.
- Undertook a skills audit, developed a training programme on stakeholder engagement and management to capacitate facilitation and development managers, and ensured implementation of training.
- Continued to exercise oversight of all strategic risks identified and ensured that committed actions are being implemented

Progress as at 30 June 2016:

- Draft Development Facilitation and Stakeholder Management Framework developed and currently on route for approval.
- Alexandra Renewal Programme Unit Skills Audit undertaken to establish capability assessment in order to match with specific roles in the merging process.
- Strategic Risks are monitored by management and governance structures provide oversight on a quarterly basis.
- Governance, Risk and Compliance software system has been configured, system testing undertaken and users and core users trained. System is anticipated to go live from 1st August 2016.
- Compliance Universe and Framework developed and currently in the process of being approved by the Governance Structures.
- Ethics Management Programme has been outsourced to an Ethics Professional Consultant, of which project deliverables has been completed and ethics management documents are in the approval processes prior to implementing JDA-Wide
- 2016/17 Strategic Risk Register has been reviewed and updated.
- 2016/17 Operational Risks Assessments conducted and in the process of finalising registers.

## Section 7: Internal Audit Function

The JDA's internal audit function subscribes to the International Standards for the Professional Practice of Internal Audit's definition of internal audit: "an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes."

The internal audit function, which is independent of all line and functional management, is established in terms of section 165 of the MFMA and Circular 65. Its responsibilities are defined by the Board's Audit and Risk Committee, taking into account all relevant legislative, governance and professional requirements. The chief audit executive reports administratively to the chief executive officer and functionally to the Audit and Risk Committee. In line with the corporate governance requirements in King III, the chief audit executive has a standing invitation to attend Executive Committee meetings but has no voting rights.

The internal audit function's primary objectives are to assist the chief executive officer, the Audit and Risk Committee and other stakeholders in the effective discharge of their responsibilities, to provide strategic support to management, and to contribute to the establishment of adequate and effective systems of

governance, risk management and internal control processes by providing recommendations to improve the effectiveness and efficiency of the JDA's operations.

The internal audit function prepared a risk based annual audit plan for the year ending 30 June 2016. The internal audit plan was approved by the Audit and Risk Committee. The internal audit function carried out its activities in accordance with the risk based internal audit plan. The plan was updated based on the risk assessment and other factors that may impede the planned execution. Internal audit submitted to the Audit and Risk Committee quarterly progress reports detailing performance against the annual internal audit coverage plan to allow for effective monitoring and possible intervention.

As required by principle 7.3 and related recommended practices of King III, the internal audit function provided quarterly written assessment on the effectiveness of the company's system of internal controls and risk management. The review included the assessment of governance, ethics, risk management, compliance with legislative requirements and internal controls. The internal audit function noted an improvement in the ethics, risk management, compliance and control environment compared to previous financial years. Overall, the JDA's systems were rated as marginally effective and require improvement.

### **Resourcing of the internal audit function**

The following human resources changes took place within internal audit during 2015/16:

- The chief audit executive resigned in July 2015. A new chief audit executive was appointed and joined the JDA on 01 December 2015.
- Employment contracts of two learners (interns) expired on 30 June 2016.
- One internal audit manager resigned in January 2016.
- One internal audit manager joined the JDA in October 2015.

The Audit and Risk Committee has also conducted an analysis of capacity needs within Internal Audit and made recommendations on capacitating the unit subject to the availability of funds.

### **Progress against the approved internal audit plan**

The internal audit projects that were not completed by the end of 2015/16 will be completed in August 2016. Internal audit has reported the internal control weaknesses identified during the performance of audits; conducted follow-up audits and highlighted management's progress in the resolution of both internal and external audits.

The table below shows progress made in the execution of the approved annual audit plan for the year ending 30 June 2016.

#### **Progress against the approved internal audit plan**

No.	Project description	Progress by 30 June 2016
16.	Annual Integrated Report Review 2014/15	Completed
17.	2014/15 4 <sup>th</sup> Quarter Performance Information Review	Completed
18.	Review of 2014/15 Annual Financial Statements	Completed
19.	Compliance Audit	Completed
20.	2014/15 Performance Bonuses Review	Completed
21.	Document Management	Completed
22.	Stakeholder Engagement Audit	Completed

No.	Project description	Progress by 30 June 2016
23.	2015/16 1 <sup>st</sup> Quarter Performance Information Review	Completed
24.	Audit on tenders above R10m before contract awarding	Completed
25.	SAP Implementation Review – Data Migration	Completed
26.	Follow-up on previous Internal Audit findings	Completed
27.	Second Quarter Performance Information Review	Completed
28.	Risk Management processes review	Completed
29.	Job Creation - Audit on the reported numbers for jobs created.	Completed
30.	Audit on the SCM processes	Completed
31.	Financial Discipline Review	Completed
32.	Audit of development project implementation processes	In progress – project at execution stage
33.	IT Audit – Audit of the general and application controls	In progress – project at planning stage
34.	HR Audit – Recruitment, development and retention	In progress – project at reporting stage
35.	Follow-up audit on AGSA 2014/15 findings	Completed
36.	2015/16 3 <sup>rd</sup> Quarter performance information review	Completed

Internal Audit has presented its reports on completed projects to management and the Audit and Risk Committee.

## Section 8: Corporate Ethics and Organisational Integrity

The JDA and its Board subscribe to high ethical standards and principles. The leadership provided by the Board is characterised by the values of responsibility, accountability, fairness and transparency, and has been a defining characteristic of the JDA since its establishment in 2001.

The JDA's main objective has always been to do business ethically while building a sustainable company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the interests and expectations of the JDA's stakeholders.

### Code of conduct

The JDA's code of conduct, which is fully endorsed by the Board, applies to all directors and employees. The code is consistent with schedule 1 of the Municipal Systems Act and the provisions of the CoJ corporate governance protocol for municipal entities.

The code is regularly reviewed and updated as necessary to ensure that it reflects the highest standards of behaviour and professionalism. Through its code of conduct, the JDA is committed to:

- The highest standards of integrity and behavior in all its dealings with its stakeholders and society at large.
- Fair commercial and competitive business practices.

- Eliminating discrimination and enabling employees to realise their potential through continuous training and skills development.
- Taking environmental and social issues into consideration.
- Ensuring that all directors declare any direct or indirect personal or business interest that might adversely affect them in the proper performance of their stewardship of the entity.

The code requires all staff to act with the utmost integrity and objectivity and in compliance with the law and company policies at all times. Failure to act in terms of the code results in disciplinary action. The code is discussed with each new employee as part of the induction process, and all employees are asked to sign an annual declaration confirming their compliance with the code. A copy of the code is available to interested parties on request. Non-adherence to the code of ethics-related matters can be reported to a toll-free, anonymous hotline. Any breach of the code is considered a serious offence and is dealt with accordingly; this act as a deterrent. The directors believe that ethical standards are being met and are fully supported by the ethics programme.

### **Declaration of interest**

In accordance with its code of conduct, the JDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's declared interests change. A register is circulated at every Board and Board committee meeting for the directors to declare any interest related to every matter discussed at a particular meeting.

The JDA's employee code of ethics and terms and conditions of employment require all employees to complete declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality, and the status of their municipal accounts.

The JDA has a whistle-blowing hotline number, which it advertises in the offices and on its website. In addition, all JDA tender documents urge people to report fraudulent activities or maladministration by JDA employees on the hotline.

## **Section 9: Sustainability Report**

The Joburg 2040 GDS is driven by the goal of capable and capacitated communities and individuals. With this realised, the CoJ will be able to become a more sustainable, inclusive city in which people hold the potential and means to grow their neighbourhoods, their communities and themselves. A balanced focus on environmental management and services, good governance, economic growth, and human and social development will help in achieving a resilient and sustainable city – and a city in which all aspire to live.

The JDA's area-based development approach has evolved over the last 12 years. It begins by identifying the local competitive advantages, development needs and opportunities within the development area. Capital works projects are then used to catalyse private investment, enterprise and neighbourhood development. This area-based development approach ensures the long-term sustainability of the capital assets created by ensuring a greater focus on developing strategic capital works projects, facilitating development to increase the impact of public investments, and establishing urban management partnerships to ensure the sustainability of the public investments.

During 2015/16, the JDA continued working closely with the Department of Development Planning to communicate the strategic vision for the Corridors of Freedom and the CoJ's spatial transformation objectives. The JDA also participated in stakeholder engagement regarding spatial transformation and urban planning and development of good practices.



## Environmental Impact

Environmental sustainability plays an integral part in all of the JDA's development projects, which all comply with environmental impact regulations. To minimise their environmental impact, all professional teams involved in preparing designs for the JDA are briefed to include the following environmental considerations:

- The design of more permeable ground surfaces and soakaways or swales to reduce the stormwater run-off in areas upgraded by the JDA to achieve sustainable urban drainage standards.
- Indigenous and water-wise planting in all landscaping interventions in compliance with City Parks requirements.
- The environmental design for crime prevention guidelines as promoted by the City Safety Programme.
- Environmental construction and infrastructure options such as energy-efficient lighting and rainwater harvesting.
- Environmental health regulations for informal trading where the JDA upgrades trading and taxi facilities.
- Including urban environmental management as an integral part of the urban regeneration projects that the JDA implements, such as the upgrading of parks, the construction of stormwater facilities and public transport infrastructure and facilities.

Four major outcomes define the Joburg 2040 GDS. Outcome 2 highlights the need to “provide a resilient, liveable, sustainable urban environment – underpinned by infrastructure supportive of a low carbon economy”. The CoJ plans to lead in the establishment of sustainable and eco-efficient infrastructure solutions (for example, housing, eco-mobility, energy, water, waste, sanitation, and ICT) to create a landscape that is liveable, environmentally resilient, sustainable, and supportive of low-carbon economy initiatives. Two of the JDA programmes, transit-oriented node development and greenways, are a direct response to Outcome 2.

### JDA programmes that respond to Outcome 2

Programme	Outline
<b>Transit-oriented node development</b>	The transit-oriented node development programme encourages optimal development of transit hubs and corridors across the city, which provides access to affordable accommodation and transport, high-quality public spaces and amenities, and good community services.
<b>Greenways</b>	The greenways programme focuses on providing resilient, liveable and sustainable environments within the CoJ by using roads and transport modes to promote walking, cycling and sustainable public transport. This programme includes the continued roll-out of the Rea Vaya BRT infrastructure and service.

Within the greenways programme, for example, the Rea Vaya BRT service has the potential to reduce the city's transport energy use and the associated carbon emissions in the medium term. The service is currently being used by up to 31 000 people per day, and there is potential to increase the numbers. In 2015/16, the JDA has continued with a significant investment in NMT infrastructure, including a network of cycle lanes and pathways that will encourage the use of public transport by connecting station precincts with the NMT network.

## Health and Safety

Independent consultant Empowerisk conducted monthly occupational health and safety audits during 2015/16. These audits identify risks and cases of non-compliance with the Occupational Health and Safety Act (1993), enabling the JDA to implement risk mitigation plans to reduce the risks and address cases of non-compliance. A report prepared in the June 2016 estimated that the JDA's compliance rate for 2015/16 was 91 per cent.

## Social impact

The JDA's corporate social investment (CSI) policy provides the framework within which the CSI partnerships and initiatives work. These partnerships and initiatives must align with the JDA's strategic objectives and priorities. Through CSI partnerships and initiatives, the JDA seeks to reduce poverty and inequality, promote

civic engagement by improving stakeholder relations, promote social cohesion and build social capital. The implementation of the CSI policy is monitored by the Social and Ethics Committee.

In 2015/16 JDA had planned three CSI projects for the financial year. The JDA spent R318,758.57 on CSI projects during 2015/16. The CSI programmes were implemented in Alexandra and Diepsloot areas. In 2015/16 the JDA appointed two Capability Support Agents (CSA), namely Jolobe Trading and Gochi Trading, who oversaw the work done by successful bidders in the following Jozi@Work Packages.

**Table 4 JDA implemented CSI projects through the Jozi@Work Programme.**

CSR projects / Jozi@Work packages	Sector	Actual Expenditure Excl. Vat
Installation of alarm system at Reshomile School (The first Work Package consisting of maintaining and monitoring of an Alarm system for a year at Reshomile Primary School in Diepsloot, Region A)	Regeneration/Education	R 39 004.19
Painting of classrooms, ceiling and doors at Realogile School in Alexandra (Jolobe Trading CSA project managed the completion of painting of the 36 classrooms, ceilings and doors at Realogile Secondary School in Alexandra in Region E. The project completion was end of June 2016.)	Regeneration/Education	R 251 754.38
Maintaining and monitoring an Alarm system at Reshomile School, Diepsloot. (Gochi Trading CSA will project manage the maintenance and monitoring of an Alarm system for a year at Reshomile Primary School in Diepsloot, Region A. The maintenance of the alarm system commenced from April 2016 for a period of twelve months)	Regeneration/Education	R 28 000.00
<b>Total Investment</b>		<b>R 318 758.57</b>

## Section 10: Anticorruption and Fraud

Financial crime and other unlawful conduct pose a threat to the JDA's business and strategic objectives. The JDA supports government's efforts to combat financial crime at all levels. The JDA, in its endeavour to combat financial crime, ensures compliance with all relevant legislation and regulations. The antifraud and anticorruption programme supports and fosters a culture of zero tolerance to fraud, corruption and unlawful conduct.

Employees are regularly briefed and trained on fraud prevention, and the induction process for new employees is being revised to include information regarding fraud prevention. Strict payment management processes are in place and the Bid Evaluation Committee independently verifies whether preferred service providers can complete the work.

The fraud risk register was approved by the Audit and Risk Committee on 28 May 2015 and the tracking and monitoring of the register started in 2015/16. The strategic risk register identifies "fraudulent and corrupt activities" as a strategic risk with a high inherent risk rating and medium residual risk rating of nine. Two other strategic risks on the strategic risk register also identify fraud and/or corruption as a root because that can potentially give rise to strategic risks. The strategic risk register sets out specific future actions to mitigate these risks, including conducting regular fraud risk assessments and creating fraud risk awareness.

In 2015, there were three cases that were reported on the hotline. The first case was reported to the Office of the MMC Development Planning and brought to the attention of the JDA on the 26th January 2015. This case relates to a group of people who purport to be JDA officials, who solicited bribes and in exchange they guarantee Service Providers a winning bid. The matter was reported to the Commercial Crime Unit and is currently being investigated. The JDA strives to improve internal controls and standardise the disclosure and reporting protocols.

## Section 11: ICT governance

Internet availability was 100 per cent (target: 98 per cent). The JDA's network infrastructure is able to meet the ever-increasing demands of the JDA. The network's good performance in 2015/16 financial year demonstrates the efficiency with which the network service provider is being governed by the JDA to ensure that their performance meets the JDA's standards.

The JDA's IT infrastructure and systems are compliant with relevant regulations, including the MFMA and the Protection of Personal Information Act (2013). The JDA continues to apply the control objectives for information and related technology guideline and King III to ensure that sound ICT governance is adopted at all times at the JDA. The following service level agreements are already in place in 2015/16:

- Hardware Supply
- Backup and Disaster Recovery
- ICT Strategic partner
- ISP
- Printing services
- Great plains support
- Email Archiving (mimecast)

These service level agreements are in line with the control objectives for information and related technology governance framework (COBIT) as well as King III and thus ensuring that the IT department delivers exactly what is expected of it and ensuring that critical applications add value to the JDA's business processes.

The IT control environment continues to be improved through partnerships with both internal and external assurance providers that will not only ensure a clean audit, but also ensure that there are proper safeguards in place to mitigate against all risks identified at both strategic and operational level.

### **Smart Cities –SAP Project Systems Implementation**

The JDA has been making final preparations for SAP project Systems to go live as planned in the 1<sup>st</sup> Quarter of the 2016/2017 financial year .Final touches to the systems have seen an "all hands on deck approach " ,with all Development implementations teams on board in all the final preparations . Final preparations have been progressing well and it is anticipated that the system will go live as scheduled in the 1<sup>st</sup> quarter of the financial year. The move to SAP Project systems will be a great milestone to greater process efficiencies and controls for the JDA and hence has received full support of both staff and management, and importantly the development implementation team who are looking forward to start using it in the 1<sup>st</sup> Quarter of the 2016/2017 financial year.

## Section 12: Supply Chain Management and Black Economic Empowerment

The JDA's supply chain management policy uses committee systems for the procurement of services and goods above specified limits. Existing committees include the:

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

There are two bid adjudication committees, one for capital expenditure and the other for operating expenditure. The Capital Expenditure Bid Adjudication Committee members include the Chief Financial Officer (chairperson), two Senior Development Managers (whose bid is not being adjudicated on), the Risk and Compliance Manager, the Executive Manager: Development Implementation, Company Secretary and the

Supply Chain Manager. The Operating Expenditure Bid Adjudication Committee includes the Chief Financial Officer (chairperson), the Supply Chain Manager, the Executive Manager: Marketing, the Executive Manager: Corporate Services, the IT Manager, Company Secretary and the Risk and Compliance Manager. Neither committee is authorised to make procurement decisions above R10 million.

Supply chain deviations and approvals:

According to regulation 36(1)(a) of the Municipal Supply Chain Management Regulations, the accounting officer may dispense with normal procurement processes and procure the required goods or services through any convenient process, which may include direct negotiations, but only:

- In an emergency
- If goods or services are available from a single supplier
- If acquiring special works of art
- If acquiring animals for zoos
- In any other exceptional case where it is impossible or impractical to follow official procurement processes.

To give effect to regulation 36, the CoJ's supply chain management policy allows the accounting officer to deviate from normal procurement processes under the circumstances outlined above. In terms of regulation 36(1) (b), the accounting officer may ratify any minor breaches of the procurement processes by an official or a committee acting in terms of delegated powers that are of a purely technical nature.

**There were two Deviations and two Ratifications from July 2015 to 30 June 2016**

No	Nature	Date of approval	Cost Centre	Description	Service Provider	Reasons	Amount excl. vat.
1.	Ratification	26 Oct 2015	Portfolio B – Alexandra Automotive Industrial Park	Extension of appointment to year 3.	The Creative Axis	The team was erroneously appointed for two years (13/14 & 14/15) instead of three years (plus 15/16). Tender document stated a 3 year appointment.  The ratification was recommended to the CEO for approval.	R256 740
2.	Deviation	12 Nov 2015	Marketing	Branding	African Graphix	Service required for the Great Walk Bridge collapse cleansing ceremony. Sole supplier appointed by CoJ to place and manage CoJ related branding material.  The deviation from the normal JDA Supply Chain Management processes was recommended to the CEO for approval.	R13 200
3.	Deviation	14 May 2016	Facilities	Plumbing, Leaking water pipe	Secret of David Initiative Projects and Construction	Due to a water leak from the downstairs kitchen overflowing into Portfolio A offices, emergency repairs had to be effected. The water pipes had to be replaced to avoid flooding.  In order to minimise further damage to the property and goods only one quotation was sourced from a plumber A secret of David	R 3 450

No	Nature	Date of approval	Cost Centre	Description	Service Provider	Reasons	Amount excl. vat.
						Initiative Projects and Construction from the JDA panel of plumbers to carry out the emergency repairs. The total cost of the repairs amounted to R 3 450.00.  The deviation from the normal JDA Supply Chain Management processes was recommended to the CEO for approval.	
4.	Ratification	24 June 2016	IT		Britehouse	An RFQ was advertised on the JDA website for seven days, on receipt of the RFQ the bid was evaluated and the service provider was appointed with a value that exceeds the threshold of R200 000 by R 24 808.00.  The ratification of a minor bridge was recommended to the CEO for approval.	R25 378

There were no unsolicited bids to the JDA from July 2015 to June 2016 with all procurement going through the Supply Chain processes. According to Regulation 44 of the Municipal Supply Chain Management Regulations the regulation prohibits municipal entities from awarding contracts to a person who is in the service of the state. It was found by the external auditors, that various suppliers failed to declare that they are in service of the state or that they have principal shareholders/directors who are in service of the state. Since management had no way of determining whether or not any of the directors of a bidder who has submitted a tender is in the service of state, it is left up to the declaration that is made by the bidder in their tender document.

Management has committed to follow up with the said suppliers and once clarity has been obtained on whether or not any of the directors are in fact and indeed in the service of state then implications of such will be discussed.

There were two objections received on tenders awarded for the 2015/16 under review, regarding the outcome of the tender processes and procedures.

No.	Project Description	Dispute / Objection	Progress
1	Kazerne Transit Oriented Development	A letter was received from Trencon Construction dated 02 March 2016 with a query regarding the outcome of the tender process. In their request they required JDA to provide reasons why the tender was awarded to the preferred bidder and not to them. The JDA gave the bidder the evaluation reports indicating the evaluation process that was followed between Trencon and Basil Read/Ums JV; the reports included the BAC report, BAC minutes and BEC minutes. The response was forwarded to the bidder on the 09 March 2016.	The bidder's attorney reverted back to the JDA stating that his client is satisfied with the matter in which the bid was handled and does not wish to take the matter further.
2	4 <sup>th</sup> Avenue Clinic - Alexandra	Letters were received from LFP/Tsoseletsa JV dated 16 March 2016 and 23 March 2016 with a query regarding the outcome of the tender. In their letter they requested JDA to provide reasons as to why their bid was unsuccessful.	A letter responding to the bidders queries was sent on the 01 April 2016. The bidder was issued with the evaluation documents and to date did not respond to the JDA on the matter.

#### Extension of contracts

During the 4th Quarter, the Board of Directors approved extension of contracts for professional teams in programme 1 to 4 from three years to four years and three years to five in certain instances, in accordance with the provisions of section 116 of the MFMA.

## Black Economic Empowerment

The JDA reports on the BBBEE share of both actual expenditure and contractual commitments for all active contracts within the quarter and year to date. The table below shows the BBBEE share of capital and operating expenditure. For the 2015/16 financial year to date, the overall BBBEE share of expenditure was R1,275,963,352 and this constitutes an achievement of 90 per cent.

Summary of BBBEE expenditure<sup>3</sup>

Description	Total expenditure R' 000	BBBEE claimed R' 000	BBBEE (%)
Capex	R 1 337 442 244	R 1 201 195 247	90%
Opex	R 87 068 962	R 74 768 105	86%
<b>Consolidated Opex and Capex</b>	<b>R 1 424 511 206</b>	<b>R 1 275 963 352</b>	<b>90%</b>

The JDA uses various criteria for calculating the BBBEE claimed. Each service provider's individual BBBEE rating affects the amount of expenditure the JDA can claim as being from a BBBEE-compliant service provider when calculating its preferential procurement points. The higher the service provider's rating, the more expenditure can be claimed. If the agency buys from a level 1 service provider, it can claim 135 per cent of the actual expenditure. For example, if the JDA spends R10 000 with a level 1 service provider, it can claim R13 500 as BBBEE spend. If it spends R10 000 with a level 6 service provider, it can only claim R6 000. The JDA only claims 100 per cent for service providers with BBBEE level 1 to 4 and 80 percent, 60 percent, 50 percent and 10 percent for service providers with BBBEE level 5 to 8 respectively.

Table 5 BBBEE Points Table

BBBEE status level of contributor	BBBEE recognition (%)	Number of points	
		Tenders up to R1 million	Tenders above R1 million
1	135	20	10
2	125	18	9
3	110	16	8
4	100	12	6
5	80	8	4
6	60	6	3
7	50	4	2
8	10	2	1
Non-compliant contributor	0	0	0

The JDA confirms the validity of BBBEE certificates by verification agencies by tracing the name of the agency to the South African National Accreditation System's list of accredited agencies. Each BBBEE level is translated into a BBBEE score reflected as a percentage. For example, BBBEE level 6 equals 60 per cent, while BBBEE level 1 equals 135 per cent.

## Enterprise / SMME Development Programme

In line with national development and shared growth imperatives, the CoJ recognises that creating jobs and ensuring that SMMEs have access to procurement opportunities are essential elements of an economically viable city.

<sup>3</sup> Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.



Over the years, the JDA has established processes and practices to support job creation and enterprise and skills development for previously disadvantaged groups, including black people, women, youth and people with disabilities. But the impact of these processes and practices have not been adequately measured and reported on in the past. The agency has also recognised the need to consolidate and extend these practices by designing and implementing a programme that will drive the achievement of empowerment objectives, and align projects and approaches to address the challenges facing previously disadvantaged enterprises.

The enterprise development programme is made up of the following components:

- **Emerging contractor development** for SMMEs working on JDA projects (both subcontractors and those contracted directly by the JDA). This includes general training.
- Training on **winning business** for SMMEs (with a focus on unsuccessful bidders identified through the JDA tender process).

The JDA reports on the SMME share of both actual expenditure and contractual commitments for all active contracts in the quarter and financial year to date. The table below shows the SMME share of capital and operating expenditure. The SMME share of JDA's operating and capital expenditure was R 228,748,457 for the 2015/2016 financial year. This constitutes an achievement of 16% for the 2015/16 year.

However, it must be noted that these figures only include SMMEs that are directly procured by the JDA and not the SMMEs who are sub-contracted on JDA projects by the lead consultant, main contractor or managing agent.

#### Summary of SMME expenditure<sup>4</sup>

Description	SMME spent R' 000	SMME (%)
Capex	R 208 243 083	16%
Opex	R 20 505 374	24%
<b>Consolidated Opex and Capex</b>	<b>R 228 748 457</b>	<b>16%</b>

<sup>4</sup> Note: Any discrepancies between this table and the financial statements are due to timing differences between when the expenditure is captured in the Development Information Management System and the report on actual invoices paid. These variances are not significant and the ratios remain valid.

## **CHAPTER 3: SERVICE DELIVERY PERFORMANCE**

## Section 1: Core Business

### Strategic objectives

The JDA has the following strategic objectives:

- Restructure the city by developing defined, strategic geographic areas and the movement corridors that link them.
- Promote economic growth by creating efficient and competitive business environments that cluster industries and function in these areas.
- Turn around declining investment trends in these areas by upgrading public spaces, generating shared visions for future development and encouraging urban management partnerships.
- Develop local economic potential in marginalised areas to promote access to jobs and markets.
- Encourage sustainable energy consumption and land use in the city by developing strategic transit nodes and corridors.
- Promote economic empowerment through the structuring and procurement of JDA developments.
- Support productive development partnerships and cooperation between all stakeholders in these areas.

## Section 2: Day-to-day Operations

### Programmes

To achieve the above strategic objectives and priorities and to give effect to its new business model, the JDA has structured its operations around five substantive programmes and two operational programmes whose cross-cutting functions enable it to operate in an efficient and effective manner.

The programmes are:

- Programme 1: Inner-city transformation
- Programme 2: Transit-oriented node development
- Programme 3: GMS priority area planning and implementation
- Programme 4: Greenways
- Programme 5: Alexandra renewal project
- Programme 6: Administration and management
- Programme 7: Development facilitation.

The five substantive programmes aim to restructure the spatial economy to give poor households better access to well-located accommodation, jobs and markets; to optimise land use and energy consumption; and to improve living standards and mobility for large numbers of people in well-serviced and well-managed transit neighbourhoods. They are linked to three of the master programmes outlined in the Joburg 2040 GDS, namely enabling resilience, inclusion and sustainability; enabling growth and job creation; and going green. Taken together, the transit-oriented node development and greenways programmes comprise the transit-oriented development intervention that will give effect to the Corridors of Freedom introduced in the 2013 State of the City Address.

The two operational programmes support the JDA's work. The Administration and Management Programme accommodates the chief executive officer, finance, internal audit, the company secretariat, marketing and communications, risk and compliance, supply chain management, IT, human resources and facilities management. The Development Facilitation Programme works closely with the development implementation, project development, land development and urban management support functions.

## Section 3: Highlights and Achievements

Capital expenditure is one of the primary measurements of the JDA's performance, as the budget for the capital projects to be implemented forms part of the agency's annual business plan and scorecard. However, the JDA also receives additional capital projects to implement from the CoJ during the financial year, including after the mid-year budget review.

As a summary of the JDA's performance:

- The overall expenditure for the year was R1.482 billion against an adjusted budget of R1.60 billion which was 92% of the overall budget.
- On KPI targets, the JDA achieved 53% performance, 10% partially achieved and 38% not achieved. The focus on reporting on highlights and achievement is reflected for each of JDAs substantive programme, as per the table below:

JDA Programme	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
Programme 1: Inner City Transformation	13	5	38%	1	8%	7	54%
Programme 2: TOD / Station Precinct Development	27	12	44%	5	19%	10	37%
Programme 3: Priority Area Planning and Implementation	26	9	35%	5	19%	12	46%
Programme 4: Greenways	42	32	76%	2	5%	8	19%
Programme 5: Alexandra Renewal Project (ARP)	17	5	29%			12	71%
Programme 6: Administration and Management	14	9	64%	1	7%	4	29%
Programme 7: Development Facilitation	6	5	83%			1	17%
	<b>145</b>	<b>77</b>	<b>53%</b>	<b>14</b>	<b>10%</b>	<b>54</b>	<b>37%</b>

- The overall BBBEE share of expenditure was R1,275,963,352. This constitutes an achievement of 90 per cent.
- The SMME share of JDA's operating and capital expenditure was R 202,110,997 for the 2015/2016 financial year to date. This constitutes an achievement of 16% for the Year to date.
- In 2015/16 the JDA was mentioned in 188 print and on-line media reports. The media analysis provide the rating of positive, neutral or negative as an opinion on the tone of the article and views expressed about the JDA and its development programmes. An average of 84% positive or neutral stories was recorded as a total of all stories measured in this financial year against a target of 90%. Negative stories accounted for 16% of the total number of stories.

Period	2015/16						
Programme	1	2	3	4	5	6	Ave
# total stories	26	2	7	68	14	20	137
# negative stories	9	0	3	9	1	0	22

Period	2015/16						
Programme	1	2	3	4	5	6	Ave
# neutral stories	3	0	3	40	4	3	53
# positive stories	14	2	1	19	9	17	62
Total less duplications	26	2	7	68	14	20	137
% negative stories	35%	0%	43%	13%	7%	0%	16%
% positive or neutral	65%	100%	57%	87%	93%	100%	84%

- For 2015/16 the JDA implemented CSI projects through the Jozi@Work Programme. The first Work Package consisting of maintaining and monitoring of an Alarm system for a year at Reshomile Primary School in Diepsloot, Region A following the installation of an alarm system at the school. The second Work Package consisted of a completion of painting of the 36 classrooms, ceilings and doors at Realogile Secondary School in Alexandra at Region E.

CSR projects	Sector	Actual Expenditure Excl. Vat
Installation of alarm system at Reshomile School	Regeneration/Education	R 39 004.19
Painting of classrooms, ceiling and doors at Realogile School in Alexandra	Regeneration/Education	R 251 754.38
Maintaining and monitoring of Alarm system at Reshomile School, Diepsloot.	Regeneration/Education	R 28 000.00
<b>Total Investment</b>		<b>R 318 758.57</b>

- In 2015/16, the major driver of capital expenditure was from Programme 4: Greenways, specifically the large construction works that are being undertaken on the Rea Vaya trunk routes and the projects to install pedestrian and cycle paths (non-motorised transport [NMT] infrastructure) along the Corridors of Freedom that connect commuters with the Rea Vaya BRT system and commuter rail services. Most of the NMT projects are being implemented by small construction companies, which mean that the large-scale infrastructure spending is also benefiting local businesses and creating local job opportunities.
- The staff organogram has 109 approved positions, 87 is the total number of JDA employees, this includes 12 employees are from Sandton office on the City of Johannesburg Payroll. There are 22 vacant positions (20 funded and 2 unfunded).
- A total of 1219 EPWP opportunities were reported and verified by M&E.

Table 6: EPWP Performance

Programme	Development Progress Target (KPI)	Number of Short Term EPWP job opportunities reported in Quarterly Reports					Total Number Short Term EPWP job opportunities as reflected in the JDA EPWP Database	Total Number of EPWP Job Opportunities in EPWP database Verified by supporting evidence (ID Copies and Contracts of Employment)
		2015/16	Q1	Q2	Q3	Q4	Total	
1	1057	237	158	0	133	528	170	133
2	1559	277	382	17	199	875	518	184
3	1856	56	136	34	160	386	368	189
4	3458	865	1025	77	705	2672	1192	675
5	160	49	26	0	38	113	40	38

Programme	Development Progress Target (KPI)	Number of Short Term EPWP job opportunities reported in Quarterly Reports					Total Number Short Term EPWP job opportunities as reflected in the JDA EPWP Database	Total Number of EPWP Job Opportunities in EPWP database Verified by supporting evidence (ID Copies and Contracts of Employment)
		Q1	Q2	Q3	Q4	Total		
Total	2015/16	1484	1727	128	1235	4574	2288	1219

## Section 4: Financial Performance

The JDA recorded a surplus of R2.8 million for the financial year ended 30 June 2016.

### Revenue

The JDA earned revenue of R104.8million against a budget of R105.2million. The negative variance of R348k is a combination of some income items that exceeded what was originally budgeted for and some items where there was an under recovery. The organisation was able to earn 87% of the budgeted management fees. This was as a result of actual capital expenditure of 92% against total allocated budget being achieved. The budgeted management fees for the year under review were originally based on 88% of the allocated approved capital budget being spent; however, during the mid-year adjustment process this was increased to cover the increase in the operational expenditure.

### Results of operations

Actual operating expenses were R102.1 million against a budget of R105.2million. The under expenditure of 3% related to budgeted but vacant positions, that were not filled in the current year.

### Capital expenditure

The JDA spent R1.48 billion of its capital budget of R1.60 billion.

R thousands	Original budget	Budget adjustments <sup>5</sup>	Final adjustments budget	Final budget	Actual outcome
	1	2	3	6	7
<b>Financial performance</b>					
Property rates			–	–	
Service charges	74 559	5 234	5 234	79 793	70 741
Investment revenue	1 065	(1 065)	(1 065)	-	36
Transfers recognised – operational	22 382	–	–	22 382	22 382
Other own revenue	1 010	2 000	2 000	3 010	11 678
<b>Total revenue (excluding capital transfers and contributions)</b>	<b>99 016</b>	<b>6 169</b>	<b>6 169</b>	<b>105 185</b>	<b>104 837</b>

<sup>5</sup> i.t.o. s28 and s31 of the MFMA



The JDA's primary source of operating revenue is the 5 per cent or 7 per cent development fee charged against all capital expenditure, which yielded R70.7 million in 2015/16. The operating grant from the CoJ amounted to R22 million.

The JDA's primary sources of capital funding are:

- Public transport infrastructure grant
- Urban settlement development grant
- Capital grants from the CoJ
- Neighbourhood development partnership grant.

## Operating budget management

The JDA manages its operating budget by measuring the effectiveness of its control of operating costs (indicated by budget variances) and has set a target of 0 per cent over expenditure. Actual operating expenses were R102.1 million against a budget of R105.2million. However, the under expenditure of 3% related to budgeted but vacant positions, that were not filled in the current year.

## Section 5: Capital Projects & Expenditure

Capital expenditure is the primary measure of the JDA's performance, and the budget for the capital projects to be implemented forms part of the agency's annual business plan and scorecard. This measures effective capital budget management, in particular expenditure against set targets for project delivery.

Targets of 100% expenditure have been set in respect of all funding sources for the financial year.

Programme	2015/16 Adjusted Budget	2015/15 Actual expenditure	Variance	% Year Actual YTD
	R' 000	R' 000	R'000	%
Programme 1: Inner City transformation	139 497	139 633	(136)	100%
Programme 2: TOD Node developments	306 880 000	210 435 838	96444162	69%
Programme 3: GMS Priority development	307,693	250,953	56,740	82%
Programme 4: Greenways	306 880	210 436	96 444	69%
Programme 5: Alexandra Renewal Project	66,800	38,641	28,159	58%
Programme 6: Administration and management	11,100	9,335	1765	84%
Programme 7: Development Facilitation	298 193	242 760	55 433	81%
<b>Total</b>	<b>1 603 961</b>	<b>1 482 716</b>	<b>121 245</b>	

The overall year to date capex expenditure was R1.48 billion against a target of R1.60 billion. This to 92% of the annual budget of R1.60 billion.

	Actual	Budget	Variance	Variance	Budget Used
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Ref. <sup>6</sup>	PROJECTS PER PROGRAMME	R	R	R	%	%
	<b>Programme 1: Inner City transformation</b>					
OS	Hillbrow Tower Precinct	R 45 158 237	R 45 000 000	R 158 237	0.35%	100.35%
OS	Park Station Precinct: Inner City Commuter Links /Jack Mincer Taxi Facility Extension	5 998 521	6 000 000	( 1 479)	(0.02%)	99.98%
OS	Kazerne Property Development Phase 1	60 604 594	60 000 000	604 594	1.01%	101.01%
OS	Inner City Core Public Environment Upgrade	15 996 775	16 497 000	( 500 225)	(3.03%)	96.97%
OS	Intelligent Operations Centre <sup>7</sup>	681 975	1 000 000	( 318 025)	(31.80%)	68.20%
OS	Johannesburg Art Gallery <sup>8</sup>	10 216 176	10 000 000	216 176	2.16%	102.16%
MAS	Eastern Gateway UDF	976 500	1 000 000	( 23 500)	(2.35%)	97.65%
	<b>Sub-total</b>	<b>139 632 778</b>	<b>139 497 000</b>	<b>135 778</b>	<b>0.10%</b>	<b>100.10%</b>
	<b>Programme 2: TOD Node developments</b>					
OS	Orlando East Station Precinct (Phase 1)	1 270 065	5 000 000	(3 729 935)	(74.60%)	25.40%
OS	Nancefield Station Precinct (Phase 3 & 4)	26 363 639	59 000 000	(32 636 361)	(55.32%)	44.68%
OS	Rotunda Park Precinct (Phase 1 & 2)	22 688 954	22 500 000	188 954	0.84%	100.84%
OS	Randburg CBD Precinct Development (Phase 1 & 2)	29 862 888	30 000 000	( 137 112)	(0.46%)	99.54%
OS	Corridors of Freedom Sports Facilities: Union Stadium	12 578 543	9 780 000	2 798 543	28.61%	128.61%
OS	Corridors of Freedom: Patterson Park (Phase 1 & 2)	45 609 084	77 500 000	(31 890 916)	(41.15%)	58.85%
OS	Jabulani TOD (Phase 2,3 & 4)	14 057 476	18 500 000	(4 442 524)	(24.01%)	75.99%
OS	Noordgesig Social Precinct Redesign (Concept Design)	1 500 000	1 500 000			100.00%
OS	Westbury Pedestrian Bridge	26 753 358	24 900 000	1 853 358	7.44%	107.44%
OS	Brixton Social Cluster (Concept Design)	490 540	1 500 000	(1 009 460)	(67.30%)	32.70%
OS	Knowledge Precinct: Campus Square Bridge (Detailed Design)	439 373	4 924 000	(4 484 627)	(91.08%)	8.92%
OS	Westbury NMT (Phase 2)	24 258 559	40 776 000	(16 517 441)	(40.51%)	66.69%
OS	Westbury NMT (Phase 3): Westdene Dam Precinct Upgrade (Concept Design)	741 579	5 000 000	(4 258 421)	(85.17%)	14.83%
MAS	Corridors of Freedom: Westbury Transformation Development Centre	3 821 780	6 000 000	(2 178 220)	(36.30%)	63.70%
	<b>Sub-total</b>	<b>210 435 838</b>	<b>306 880 000</b>	<b>(96 444 162)</b>	<b>(31.43%)</b>	<b>68.57%</b>
	<b>Programme 3: GMS Priority Development</b>					
OS	Diepsloot Development Ingonyama Road Upgrade (Phase 2 & 3)	6 977 572	10 500 000	(3 522 428)	(33.55%)	66.45%
OS	Rabie Ridge Multi-Purpose Centre	8 973 325	9 000 000	( 26 675)	(0.30%)	99.70%

<sup>6</sup> OS = Original Scorecard; MAS = Mid-year Adjusted Scorecard

<sup>7</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and from July 2015 was being implemented for on behalf of the Client Departments by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Intelligent Operations Centre project had changed and based on a decision by Executive Head of EMS the JDA was no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

<sup>8</sup> The KPI Description is Johannesburg Art Gallery Upgrade, the KPI target is defined as Johannesburg Art Gallery

		Actual	Budget	Variance	Variance	Budget Used
Ref. <sup>6</sup>	PROJECTS PER PROGRAMME	R	R	R	%	%
OS	Kliptown Precinct Re-Development (Phase 2)	12 345 494	20 000 000	(7 654 506)	(38.27%)	61.73%
OS	CoJ Clinics: Ennerdale	6 829 625	6 814 582	15 043	0.22%	100.22%
OS	CoJ Clinics Claremont	1 000 000	1 000 000			100.00%
OS	CoJ Clinics: Noordgesig	22 171 482	25 000 000	(2 828 518)	(11.31%)	88.69%
OS	CoJ Clinics: Orchards	34 958 949	39 000 000	(4 041 051)	(10.36%)	89.64%
OS	Langlaagte Pharmacy Depot	6 727 954	23 000 000	(16 272 046)	(70.75%)	29.25%
OS	CoJ Clinics: Esselen Street	18 342 144	18 900 000	( 557 856)	(2.95%)	97.05%
OS	CoJ Clinics: Westbury	20 200 907	20 400 000	( 199 093)	(0.98%)	99.02%
OS	CoJ Clinics: Florida (Concept Design)	504 706	700 000	( 195 294)	(27.90%)	72.10%
OS	CoJ Clinics: River Park	6 509 573	6 500 000	9 573	0.15%	100.15%
OS	CoJ Clinics: Ebony Park (Concept Design)	673 473	1 000 000	( 326 527)	(32.65%)	67.35%
OS	Lehae New Library	9 297 577	10 000 000	( 702 423)	(7.02%)	92.98%
OS	Golden Harvest Rehabilitation Centre	18 935 711	21 000 000	(2 064 289)	(9.83%)	90.17%
OS	Cosmo City Fire Station	21 784 439	30 000 000	(8 215 561)	(27.39%)	72.61%
OS	Alexandra Automotive Industrial Park	31 256 857	40 000 000	(8 743 143)	(21.86%)	78.14%
OS	Sol Plaatjie	15 270 490	15 378 000	( 107 510)	(0.70%)	99.30%
	<b>Sub-total</b>	<b>242 760 278</b>	<b>298 192 582</b>	<b>(55 432 304)</b>	<b>(18.59%)</b>	<b>81.41%</b>
	<b>Programme 4: Greenways</b>					
OS	Phase 1C Station	12 695 826	12 000 000	695 826	5.80%	105.80%
OS	Phase 1A and B Station Retrofit	6 857 684	6 531 130	326 554	5.00%	105.00%
OS	Selby Bus Depots : City	6 804 277	4 459 920	2 344 357	52.57%	152.57%
OS	Bus Depots: Midrand <sup>9</sup>	927 881	2 951 300	(2 023 419)	(68.56%)	31.44%
MAS	Bus Depots: Booysens Layover Buildings	6 623 491	6 183 550	439 941	7.11%	107.11%
OS	BRT Land Acquisition	34 189 007	40 574 700	(6 385 693)	(15.74%)	84.26%
OS	Section 1B Road Rea Vaya BRT Road Rehabilitation (Klipspruit Valley) (Concept Design)	781 452	1 371 465	( 590 013)	(43.02%)	56.98%
MAS	Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 3) (concept design)	1 299 671	1 037 015	262 656	25.33%	125.33%
OS	Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 2)	13 629 345	12 353 850	1 275 495	10.32%	110.32%
MAS	Rea Vaya BRT Section 9 (Sandton to Randburg) (Concept Design)	5 774 229	3 579 880	2 194 349	61.30%	161.30%
OS	Phase 1C Sandton CBD Loop	162 906 545	156 428 830	6 477 715	4.14%	104.14%
MAS	Park Station to Doornfontein Cycle Lanes	48 661 461	38 881 200	9 780 261	25.15%	125.15%
MAS	Auckland Park Station Precinct NMT	15 700 329	14 829 180	870 432	5.91%	105.91%
MAS	Alex BRT Loop	2 045 859	1 525 000	520 859	34.15%	134.15%
MAS	Avalon Bus Depot	3 174 009	3 043 299	130 710	(0.07%)	99.93%
OS	Phase 1C Stations Precinct	854 027	822 528	31 499	3.83%	103.83%
MAS	Lakeview and Klipspruit Valley NMT (Phase 2)	13 756 929	13 756 928	1		100.00%
MAS	Lakeview and Klipspruit Valley NMT (Phase 1)	2 643 237	2 939 800	( 296 563)	(10.09%)	89.91%
OS	Phase 1A NMT Feeder Routes (Phase 1 and Phase 2)	15 685 702	17 579 200	(1 893 498)	(10.77%)	89.23%
MAS	Phase 1C Soft & Hard Landscaping (Detailed Design)	7 603 926	7 052 400	551 526	7.82%	107.82%
MAS	Hillbrow to Park Station (Detailed	33 528 958	32 964 208	564 750	1.71%	101.71%

<sup>9</sup> The KPI Description is Bus Depots: Midrand / Ivory Park, the KPI target is defined as Bus Depots: Midrand

		Actual	Budget	Variance	Variance	Budget Used
Ref. <sup>6</sup>	PROJECTS PER PROGRAMME	R	R	R	%	%
	Design)					
OS	Phase 1C Section 15 (Phase 1)	3 138 577	3 138 577			100.00%
OS	Phase 1C Section 15 (Phase 2)	138 011 399	109 586 100	28 425 299	25.94%	125.94%
MAS	Phase 1C Section 8A (M1 Flyover Bridge)	129 043 300	120 972 600	8 070 700	6.67%	106.67%
MAS	Phase 1C Section 8B (Sandspruit River Bridge Widening)	41 574 078	41 317 900	256 178	0.62%	100.62%
OS	Phase 1C Section 8C (Alex to Sandton)	7 979 790	7 979 790			100.00%
OS	Phase 1C Alex Spur and Great Walk Pedestrian Bridge (Section 15I - Phase 1)	41 634 069	37 185 400	4 448 669	11.96%	111.96%
OS	Phase 1C Great Walk NMT(Section 15H)	2 781 788	2 839 576	( 57 788)	(2.04%)	97.96%
MAS	Section 15J: Watt Road Work	9 532 164	7 665 000	1 867 164	24.36%	124.36%
OS	Phase 1A NMT Station Precincts (Basothong and Mavumbi)	1 392 223	1 392 223			100.00%
OS	Watt Interchange <sup>10</sup>	22 447 932	13 620 000	8 827 932	64.82%	164.82%
MAS	Langlaagte to UJ NTM	25 638 681	29 700 000	(4 061 319)	(13.67%)	86.33%
MAS	Rosebank NMT and Cycle Lanes	3 038 288	3 025 300	12 988	0.43%	100.43%
MAS	Drieziek Public Transport Facility	344 477	353 900	( 9 423)	(2.66%)	97.34%
OS	Emthonjeni Terminal (Concept and Detailed Design)	969 146	969 446	( 300)	(0.03%)	99.97%
MAS	Phase 1C Trunk Route TIA	236 255	1 520 900	(1 284 645)	(84.47%)	15.53%
OS	Phase 1A NMT Station Precincts (Thokoza Park NMT)	28 678	28 678			100.00%
	<b>Sub-total</b>	<b>823 934 690</b>	<b>762 160 773</b>	<b>61 773 200</b>	<b>8.11%</b>	<b>108.11%</b>
	<b>Programme 5: Alexandra Renewal Project</b>					
OS	Banakekeleni Hospice Clinic		2 500 000	(2 500 000)	(100.00%)	
OS	4th Avenue Clinic Alexandra	6 035 623	15 000 000	(8 964 377)	(59.76%)	40.24%
OS	Development of Open Space - Maputo Park (detailed design and contractor appointment)	516 579	5 000 000	(4 483 421)	(89.67%)	10.33%
OS	Old Ikage Housing Development Alexandra	1 095 938	2 500 000	(1 404 062)	(56.16%)	43.84%
OS	Pedestrian Bridge Vincent Tshabalala Road (concept design)	1 481 288	4 000 000	(2 518 712)	(62.97%)	37.03%
OS	Purchase of new Refuse Bins for New Housing on Far East Bank	166 335	300 000	( 133 665)	(44.56%)	55.45%
OS	Thoko Mngoma Clinic Marlboro	5 040 889	15 000 000	(9 959 111)	(66.39%)	33.61%
OS	Pan Africa Linear Markets	9 908 966	9 500 000	408 966	4.30%	104.30%
OS	Alexandra Heritage Centre	14 395 540	13 000 000	1 395 540	10.73%	110.73%
MAS	Ivory Park Linear Markets	8 192 409	9 500 000	(1 307 591)	(13.76%)	86.24%
	<b>Sub-total</b>	<b>46 833 567</b>	<b>76 300 000</b>	<b>(29 466 433)</b>	<b>(38.62%)</b>	<b>61.38%</b>

		Actual	Budget	Variance	Variance	Budget Used
Ref. <sup>6</sup>	PROJECTS PER PROGRAMME	R	R	R	%	%
	<b>Programme 6 : Administration and management</b>					
	Operational capex	9 335 985	11 100 000	(1 764 015)	(15.89%)	84.11%
	<b>Sub-total</b>	<b>9 335 985</b>	<b>11 100 000</b>	<b>(1 764 015)</b>	<b>(15.89%)</b>	<b>84.11%</b>
	<b>Programme 7 : Development Facilitation</b>					
OS	Corridors of Freedom: Naming and Branding	5 284 262	5 330 640	( 46 378)	(0.87%)	99.13%
OS	Corridors of Freedom: Heritage Plans (phase 2)	4 499 200	4 500 000	( 800)	(0.02%)	99.98%
	<b>Sub-total</b>	<b>9 783 462</b>	<b>9 830 640</b>	<b>( 47 178)</b>	<b>(0.48%)</b>	<b>99.52%</b>
	<b>TOTAL</b>	<b>1482 716 598</b>	<b>1603 960 995</b>	<b>(121 245 114)</b>	<b>(7.56%)</b>	<b>92.44%</b>
	<b>Projects not reflected in mid-year adjusted scorecard</b>					
	Orlando Ekhyia Community Centre	1 669 708	1 975 000	( 305 292)	(15.46%)	84.54%
	Contractual Claims	981 507	6 000 000	(5 018 493)	(83.64%)	16.36%
	<b>Sub-total</b>	<b>2 651 215</b>	<b>7 975 000</b>	<b>(5 323 785)</b>	<b>(66.76%)</b>	<b>33.24%</b>
	<b>OVERALL TOTAL</b>	<b>1485 367 813</b>	<b>1611 935 995</b>	<b>(126 568 899)</b>	<b>(7.85%)</b>	<b>92.15%</b>

## Section 6: Performance by Programme (and City Scorecard)




The JDA's progress towards achieving its KPIs is assessed using the corporate performance scorecard. This measures performance in terms the JDA's programme delivery mandate, financial and other organisational performance management processes. The scorecard targets are set and agreed on by JDA management, the Board and the CoJ. The targets aim to direct the JDA's performance as well as to assist in creating the platform longer-term outcomes for specific developments, such as area-based revitalisation.

Key indicators, such as jobs created and capital expenditure to date, are measured and verified by independent quantity surveyors or project managers for each of the JDA's developments. With regard to job opportunities created through the Expanded Public Works Programme (EPWP), the CoJ's Economic Development Department independently verifies the JDA's reported job numbers on a monthly basis.








The KPIs set for each JDA substantive programme were:

- Capital expenditure against budget.
- Development progress against target.
- Economic empowerment measures, including the number of short-term job opportunities created, BBBEE spend commitment as a percentage of total procurement (capital expenditure), and SMME spend commitment as a percentage of total spend (capital expenditure).
- Productive development partnership measures, including positive media reports and number of tours or stakeholder events.

For each programme, the KPIs are illustrated as follows:

	Target achieved (95–100% rating)
	Target partially achieved (80–94% rating)
	Target not achieved (<79% rating)

## Capital Expenditure Performance against Budget

KPI: Percentage of capital budget spent	Annual Expenditure Target	Annual Actual	Variance	Annual Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Programme 1: Inner City Transformation	100%	100%	0%		Target achieved
Programme 2: TOD / Station Precinct Development	100%	69%	30%		Target not achieved
Programme 3: Priority Area Planning and Implementation	100%	81%	19%		Target partially achieved
Programme 4: Greenways	100%	108%	+8%		Target achieved
Programme 5: Alexandra Renewal Project (ARP)	100%	61%	39%		Target not achieved.
Programme 6: Administration and Management	100%	84%	16%		Target partially achieved
Programme 7: Development Facilitation	100%	100%	0%		Target achieved

To note, that the JDA also receives additional capital projects to implement from the CoJ during the financial year, including after the mid-year budget review and these will be reported as additional projects.

## Programme Performance Assessment

The JDA's progress towards achieving its KPIs is assessed using the performance scorecard, which measures performance in terms of both the JDA's service delivery mandate and financial and other resource management processes. The scorecard targets, which are set and agreed on by JDA management, the Board and the CoJ, aim to improve the JDA's performance and efficiency, and achieve longer-term goals for specific developments, such as area-based revitalisation.

Performance per programme and per KPA are summarised in the table below:

JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
			Count	%	Count	%	Count	%
Programme 1: Inner City Transformation		13	5	38%	1	8%	7	54%
	Capital expenditure for Programme 1	1	1	100%				
	Development Progress per Project	6	3	50%	1	17%	2	33%
	Economic Empowerment	4	1	25%			3	75%
	Productive Development Partnerships	2					2	100%
Programme 2: TOD / Station Precinct Development		27	12	44%	5	19%	10	37%



JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
	Capital expenditure for Programme 2	1					1	100%
	Development Progress per Project	20	10	50%	5	25%	5	25%
	Economic Empowerment	4					4	100%
	Productive Development Partnerships	2	2	100%				
<b>Programme 3: Priority Area Planning and Implementation</b>		<b>26</b>	<b>9</b>	<b>35%</b>	<b>5</b>	<b>19%</b>	<b>12</b>	<b>46%</b>
	Capital expenditure for Programme 3	1			1	100%		
	Development Progress per Project	19	7	37%	4	21%	8	42%
	Economic Empowerment	4	1	25%			3	75%
	Productive Development Partnerships	2	1	50%			1	50%
<b>Programme 4: Greenways</b>		<b>42</b>	<b>32</b>	<b>76%</b>	<b>2</b>	<b>5%</b>	<b>8</b>	<b>19%</b>
	Capital expenditure for Programme 4	1	1	100%				
	Development Progress per Project	36	30	83%	1	3%	5	14%
	Economic Empowerment	4			1	25%	3	75%
	Productive Development Partnerships	1	1	100%				
<b>Programme 5: Alexandra Renewal Project (ARP)</b>		<b>17</b>	<b>5</b>	<b>29%</b>			<b>12</b>	<b>71%</b>
	Capital expenditure for Programme 5	1					1	100%
	Development Progress per Project	10	2	10%			8	90%
	Economic Empowerment	4	2	50%			2	50%




JDA Programme	Break down by KPA	Number of KPI's	Target achieved (95–100% rating)		Target partially achieved (80–94% rating)		Target not achieved (<79% rating)	
	Productive Development Partnerships	2	1	50%			1	50%
Programme 6: Administration and Management		14	9	64%	1	7%	4	29%
	Human Resources	7	4	86%			3	14%
	Financial management and corporate governance	3	3	100%				
	Economic Development	3	1	33%	1	33%	1	33%
	Operating expenditure	1	1	100%				
Programme 7: Development Facilitation		6	5	83%			1	17%
	Capital expenditure on projects for Programme 7	1	1	100%				
	Development Progress per Project	2	2	100%				
	Economic Empowerment	3	2	67%			1	33%
	<b>TOTAL</b>	<b>146</b>	<b>77</b>	<b>53%</b>	<b>14</b>	<b>10%</b>	<b>55</b>	<b>38%</b>

Key indicators, such as jobs created and capital expenditure to date, are measured and verified by independent quantity surveyors or project managers for each of the JDA's developments. With regard to job opportunities created through the Expanded Public Works Programme (EPWP), the CoJ's Economic Development Department independently verifies the JDA's reported job numbers on a monthly basis.

The KPIs set for each JDA substantive programme were:

- Capital expenditure against budget.
- Development progress against target.
- Economic empowerment measures, including the number of short-term job opportunities created, BBBEE spend commitment as a percentage of total procurement (capital expenditure), and SMME spend commitment as a percentage of total spend (capital expenditure).
- Productive development partnership measures, including positive media reports and number of tours or stakeholder events.

For each programme, the KPIs are illustrated as follows:

	Target achieved (95–100% rating)
	Target partially achieved (80–94% rating)
	Target not achieved (<79% rating)

The JDA Scorecard with KPI definition is attached as Annexure 5. With regards to the KPI % development progress against planned works, development progress is defined by the following progress categories and

milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed

Operating expenditure is not reported per programme, but general commentary on operating expenditure against target for the JDA as a whole is provided in the financial review.

## Programme 1: Inner-city Transformation

**Programme purpose:** Manage the development of Johannesburg's inner city through capital investment in selected areas by overseeing integrated investment by other departments and entities, and by facilitating partnership initiatives.

Guided by the CoJ's inner-city transformation roadmap, the JDA focuses on strengthening the position of the inner city as a critical business and residential node and the primary gateway to transit networks for the CoJ; financial services networks for the city region; and cross-border trade networks for the African continent. The programme will be implemented in phases aimed at strengthening inner-city precincts, addressing movement challenges, and improving the quality of the built environment across the inner city. The programme includes elements of transit-oriented node and corridor development. Precinct developments are designed to respond to local conditions, needs and advantages, and to achieve economic, social and sustainable development outcomes.

The transit precinct that is being developed in the inner city is the Park Station precinct. Beyond this node, other precinct and corridor projects that are intended to improve the productivity, inclusivity and liveability of the inner city as a safe, clean and sustainable neighbourhood that serves its growing population include the Hillbrow Tower precinct, Inner-city core public environment upgrade, Eastern Gateway precinct, Johannesburg Art Gallery<sup>11</sup> and Kazerne property development.

### Progress on projects

#### *a). Park Station Precinct: Inner City Commuter Links/ Jack Mincer Taxi Facility Extension*

In 2015/16 the extension of the Jack Mincer (Noord Street) taxi facility was being prioritised, however due to the technical nature of this construction presented a construction programme is expected to last two-year and requires careful management of the phasing in order to minimize the relocation and disruption of taxi holding and ranking operations.

Phase 5 & 6 began in 2015/16 with the completion of upgrade of the markets project along Noord Street between Twist and Klein Streets, Jack Mincer taxi facility (Noord Street taxi rank).

#### *b). Hillbrow Tower precinct*

Hillbrow is a famous neighbourhood in the inner city of Johannesburg. The precinct is defined by the walking radius of approximately 1km around the Hillbrow Tower and transects the Hillbrow and Berea areas which are roughly bounded by Clarendon and Willie Streets in the north, Joe Slovo Drive in the east, Smit Street in the south and Hospital Street in the west. In 2015/16 Phase 2 of the project focused on the public environment upgrade of Goldreich and Nugget Streets in Hillbrow.

As a key part of the development facilitation work in this area, the JDA has engaged Telkom in a property development to establish an enterprise hub at the base of the Hillbrow Tower; and to create economic

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<sup>11</sup> The KPI Description is Johannesburg Art Gallery Upgrade, the KPI target is defined as Johannesburg Art Gallery

development opportunities for the creative industries in Hillbrow. This includes opening the Tower as a tourist attraction, enabling visitors to travel to the top of the tower for breath-taking views of the City.

#### c). Inner City Core Public Environment Upgrade

Against the backdrop of the inner-city urban design implementation plan, the CoJ prioritised the inner-city core for public environment upgrading in years three and four of the Charter implementation period. The project seeks to improve continuity and connectivity for pedestrians towards and between places of work, public transport and other facilities. It will also strive to improve access to spaces for recreational and social purposes. The project area is defined as De Villiers Street in the North, Commissioner Street in the South, Sauer Street in the West, and End Street in the East. In 2015/16 the project focused on the public environment upgrade of Wolmarans and Plein Streets between Eloff and Klein Streets.

#### d). Kazerne Property Development

A new integrated transport facility with good access to Park Station will improve the quality of life of commuters, streamline the flow of traffic and strengthen the commuting connections with the rail service. The underdeveloped Kazerne taxi facility provides an opportunity for such a facility. This site is of strategic importance as it is close to Park Station and the proposed project to deck the railway line and connect Braamfontein with the inner city. There is thus an opportunity to increase the scale of this development and optimise the land use by including other land uses such as retail, hotel and residential. Designs for the new intermodal public transport facilities were approved and construction commenced in January 2015. It is anticipated that the new facility will be completed over three years.

#### e). Johannesburg Art Gallery Upgrade<sup>12</sup>

In 2015/16, the JDA undertook to complete the structural repairs to the roof. This work included obtaining the necessary Heritage approvals.


#### f). Eastern Gateway

In 2015/16, an urban design framework of the Eastern Gateway concentrated on the Region F's eastern boundary including linkages and the identification of catalytic projects in the area.


### Programme 1: Inner-city transformation

#### Performance against KPIs

Programme 1: Capital Expenditure








KPI	2015/16 Expenditure Target (cumulative)	2015/16 Actual	2015/16 Variance	2015/16 Achievement score	% Actual YTD	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Percentage of capital budget spent	100%	100%	0%		100%	Target achieved

Programme 1: Development progress per project

KPI	2015/16 Developm ent Progress Target	2015/16 Developm ent Progress Actual	2015/16 Developm ent Progress Variance	2015/16 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Park Station Precinct: Inner-City Commuter Links/Jack Mincer Taxi Facility Extension <sup>13</sup>	100%	45%	55%		Site handover has been delayed due to challenges in obtaining temporary taxi ranking and parking facilities in close proximity. JDA is trying to secure alternative parking and ranking areas. The SDP has been approved and an application for a Section 7-6 will be submitted in order for the works to commence. On the 12 May 2016 site was handed over to the contractor for a three stage approach being PEU on Noord Street between Twist and Klein, Jack Mincer investigation work and Jack Mincer upgrade

<sup>12</sup> The KPI Description is Johannesburg Art Gallery Upgrade, the KPI target is defined as Johannesburg Art Gallery





<sup>13</sup> The inner-city community links and Jack Mincer taxi facility extension were combined into one project.

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					pending the outcome of the investigative work of stage 2. In 2016/17 construction will continue without pause in Noord Street upgrade between Twist and Klein Street until completion. Also complete the investigative work required for the long term implementation of Jack Mincer Taxi Rank. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and the expected end date remains end of the current financial year.
Hillbrow Tower Precinct	100%	100%	-		Project has been completed.
Inner City Core Public Environment Upgrade	100%	94%	6%		The project is currently at advanced snagging stage. The anticipated completion date of this phase is July 2016.
Kazeme Property Development Phase 1	100%	42.4%	57.6%		Construction is underway. Delays were due to late site hand over to the main contractor; due to the fact that there were delays in receiving approval in writing for the use of the site from the South African Post Office (SAPO). The site was handed at the over end of May 2016. In 2016/17 construction will continue without pause in the City's service delivery programme. The objective of the project is to improve an existing informal mini bus ranking facility. The overall scope of works entails design and construction of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.
Johannesburg Art Gallery	100%	97%	3%		This project is at practical completion stage and snagging is under way. The QS has issued the JDA with a cost breakdown of the remedial work needed to be carried out. The JDA has identified a specialist Contractor to carry out the remedial works. The JDA has confirmed that payment for the remedial works will be deducted from the Contractor's retention and also payment of outstanding invoices due to some of the sub-contractors. The JDA has issued the consulting team members with new LOAs for the 2016/17 Financial Year. The specialist Contractor will commence with the remedial works before the end of the FY 2016.
Intelligent Operations Centre <sup>14</sup>	-	-	-	-	<b>KPI removed.</b> Project to be implemented by CoJ: Public Safety and not the JDA.
Number of Short Term EPWP job opportunities created through Programme 1 construction contracts	1057	133	924		<b>133</b> short term EPWP jobs have been created for 2015/16 financial year; under programme 1 construction contracts. Underperformance was due to (i) the phasing of new reporting and evidence requirements for EPWP (ii) the impact of employment based on contract basis, specifically where multiple tasks under one contract only count as a single work opportunity (iii) not holding the contractor / team to account to drive EPWP as well as provide necessary reports and supporting evidence. The organisation will focus on internal and external education on the expectations and processes surrounding EPWP. The organisation will also ensure development teams have the necessary support and direction from the administration and M&E units.
BBBEE expenditure share as a % of total capex over the same time period <sup>15</sup>	100%	100%	-		Target achieved
SMME expenditure share as a % of total Capex over the same time <sup>16</sup> period	30%	4%	26%		Target on SMME expenditure was not achieved. Underperformance was due to limited direct appointment of SMMEs, as well as under-reporting of SMMEs who work

<sup>14</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and from July 2015 was being implemented for on behalf of the Client Departments by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Intelligent Operations Centre project had changed and based on a decision by Executive Head of EMS the JDA was no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

<sup>15</sup> The KPI Description is BBBEE expenditure share as a % of total capex, the KPI target is defined as BBBEE expenditure share as a % of total capex over the same time period

<sup>16</sup> The KPI Description is SMME expenditure share as a % of total Capex, the KPI target is defined as SMME expenditure share as a % of total Capex over the same time period

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					through subcontracts. The organization will focus on accelerating this process by ensuring that there is an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period <sup>17</sup>	5%	0%	5%		Target on Jozi@Work expenditure was not achieved. Underperformance was due to limited planning for Jozi@work work packages. The organization will focus on accelerating this process by ensuring that there is an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Positive media reports as a % of the total number of media reports on the JDA in the Johannesburg Inner City	90%	65%	25%		The organisation will focus on being more proactive, instead of reactive. The aim is to ensure that communication supports the JDA's Marketing and Communication Strategy by being effective and aligned with the organisational objectives.
Number of property developments facilitated by the JDA in the Johannesburg Inner City	2	1	1		Delays in property deals, transactions and facilitations were hampered by elements outside of the JDA's control, e.g. interest rates, investor appetite, legal issues, land etc. Greater effort will be placed on improved planning and facilitation over multiple years to ensure an improved pipeline of such transactions.
<b>Additional Projects</b>					
Eastern Gateway UDF	100%	100%	-		Urban Development Framework is complete and it will go to council for approval in 2016/17 financial year.

## Programme 2: Transit-oriented node development

**Programme purpose:** Manage the development of strategic transit nodes through capital investments by overseeing integrated investment by other departments and entities, and by facilitating partnership initiatives.

The programme involves targeted investment in transit nodes such as Gautrain stations, commuter rail stations, BRT stations and key taxi facilities. In addition to public investment, the development of transit-oriented precincts requires substantial development facilitation to re-orientate property values and land use towards agglomerated and high-intensity uses and functions (including high-density, affordable housing and suitable office and retail activities). A number of priority precincts have been identified as JDA developments, including:

- Transit precincts in established corridors, such as the Nancefield Railway Station precinct, the Orlando East Station precinct and the Jabulani node along the commuter railway line in Soweto.
- Transit precincts on the new BRT corridors such as the Empire–Perth, Alexandra–Randburg and Louis Botha trunk routes.
- The key development areas are Alexandra and the Randburg CBD.

## Progress on projects

### a). Nancefield Station Precinct

The Nancefield Station precinct is a flagship transit-oriented development project that the CoJ wishes to implement over the medium term. In 2015/16 the focus was on the completion of Phase 3 and Phase 4. Phase 3 entails the construction of new roads and stormwater infrastructure, the construction of new water and sewer infrastructure and the construction of two new roads. Project phase 3 reached practical completion stage in December 2015. Phase 4 entails the construction of the multi-purpose sport centre which commenced on the 5<sup>th</sup> February 2016.

<sup>17</sup> The KPI Description is Of which: Jozi@Work SMME expenditure share as a % of total Capex, the KPI target is defined as Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period

#### ***b). Jabulani node***

The Jabulani Node is a key focus area for the City. An updated Urban Development Framework was approved by the City in 2015 and a number of key interventions were identified. The current projects on the ground include the construction of a new stormwater system and the construction of a new link road. Works on both projects was completed during February 2016.

A new professional team has been appointed to continue with the programme; i.e. Phase 4, 5 & 6. The team is currently focusing on the planning and design of a second link road, the remodelling of the Bolani High Street and a new multi-purpose soccer and learning centre. It is expected that construction works on the first phase of the new programme will start by mid-2016.

#### ***c). Randburg CBD***

Despite its potential as a key regional transit node, Randburg CBD continues to function as a mid-level retail and office node, with less than optimal residential land usage and limited public amenities.

The original scope of work included detailed designs for the larger capital expenditure programme in 2014/15 and 2015/16 and the first phase of construction. This includes three blocks on Hill Street Mall and public environment upgrade work was completed in 2015/16. The second phase extends into 2016/17 and will focus on restructuring the streets to introduce a public transport link and improve mobility.

#### ***d). Orlando East Station precinct***

The project entails the development of a high density, mixed-use facility along the Mooki Street public transport corridor in Orlando East. The scheme consist of a dual rugby and soccer field, an indoor sports facility, approximately 120 social housing units and 500m<sup>2</sup> of retails space. The first phase of the project entails the construction of the sports component of the scheme. A contractor was appointed during January 2015, but works have not started as a section of the community is resisting the project. Discussions with all the relevant stakeholders in the area are continuing.

#### ***e). Rotunda Park precinct***

The Turffontein strategic area framework identified Rotunda Park as a potential transit node. A multi-year allocation was awarded to the JDA for a new development, which started in 2014/15. In 2015/16 Phase 1 of the project was completed in January 2016. Phase 1 of the project entailed the development of the gateways to the precinct. The team is also focusing on the planning and designs of the linear park which is the key feature of the precinct. An extensive stakeholder process was undertaken from June 2015 to August 2015 to ensure that the community participates meaningfully in the planning of the intervention. It is envisaged that construction of Phase 2 of the project will start in the 1<sup>st</sup> quarter of 2016/17.

#### ***f). Westbury development***

Westbury is a residential neighbourhood along the Empire–Perth corridor. Westbury is well located regionally, but its legacy as a racially segregated area means that its connection to surrounding suburbs is weak, enforced by significant buffer spaces – especially in the northern interface with Sophiatown. Westbury is well served by a range of transport opportunities and social infrastructure but, despite the ease of access to these services, the urban frame in which they are located is fragmented. In 2015/16 the public environment upgrading and complete streets projects were completed and designs were prepared for housing upgrades and improvements.

#### ***g). Knowledge precinct NMT infrastructure and bridge***

The Knowledge precinct incorporates the nodes of Auckland Park and Milpark on the Empire–Perth corridor, as identified in the Empire-Perth strategic area framework. NMT infrastructure linking the University of Johannesburg and the University of the Witwatersrand to the inner city was completed. Designs for a



pedestrian bridge and public environment upgrade to provide safe pedestrian crossing from the University of Johannesburg to Campus Square were completed.


#### **h). Corridors of Freedom: sport facilities**

The CoJ's Community Development Department is responsible for maintaining and upgrading the city's sports, recreation, libraries and other community facilities, Paterson Park and Union Stadium have been in existence for a number of years and are being used on a daily basis. These facilities are close to transport nodes, including the newly constructed BRT system, which provides easy and affordable access to such facilities. These facilities, situated along the Corridors of Freedom, provide for different sporting codes and the surrounding schools often use them for their school activities. The facilities are showing wear and tear and need to be further developed, upgraded and refurbished to ensure continuity and sustainability for the community.



Facility	Description
Paterson Park	The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and refurbished so as to ensure continuity and sustainability to the community. In 2014/15 the preliminary planning began. In 2015/16 aim at the construction of a regional sports facility.
Union Stadium	The facility has been in existence for a number of years and is being fully utilized on a daily basis by the community it serves. This facility is situated strategically close to transport nodes like the newly constructed Bus Rapid Transit (BRT) system which assist commuters' easy and affordable access to such facility. The facility also forms part of the facilities that are situated along the Corridors of Freedom.  This facility has different sporting codes which makes it unique and attractive to fitness fanatics and private functions like weddings, funerals etc. The surrounding schools also utilize this facility more often than usual for their school activities. The facility has succumbed to wear-and-tear over the years and there is a need therefore for this facility to be further developed, upgraded and refurbished so as to ensure continuity and sustainability to the community.
Brixton Social Cluster	This project includes the creation of an integrated cluster of social and community facilities in Brixton, some of which are already located in proximity to each other. Together with Community Development and Development Planning Departments in the City of Joburg, the project scope will be refined. Planning began late in 2015/16.











#### **Performance against KPIs**








##### Programme 2: Capital expenditure








KPI	2015/16 Expenditure Target (cumulative)	2015/16 Actual	2015/16 Variance	2015/16 Achievement Score	% Actual YTD	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
% of capital budget spent	100%	69%	30%		69%	Target not achieved due to under-expenditure on certain developments due to delays, in particular Nancefield and Paterson Park.

##### Programme 2: Development progress per project

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Nancefield Station Precinct (Phase 3)	100%	100%	-		Project completed.
Nancefield Station Precinct (Phase 4)	100%	49.6%	10.4%		Construction is underway, and the target of 60% development progress has been achieved as planned for the 2015/16 financial year. The anticipated completion date of this phase is 30 <sup>th</sup> September 2016.

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Jabulani TOD Node (Phase 2)	100%	100%	-		Project completed.
Jabulani TOD Node (Phase 3)	100%	100%	-		Project completed.
Jabulani TOD Node (Phase 4)	100%	40%	10%		The target of 50% development progress has not been achieved as planned for the 2015/16 financial year. This was due to delays of finalizing scope and appointment of contractors. The scope of works for 2016/17 financial year entails the appointment of a main contractor and commence with the construction stage. The approval to appoint a contractor was granted on 26 <sup>th</sup> July 2016. Site handover is planned for mid-August 2016. The anticipated completion date of this phase is end of June 2017.
Orlando East Station Precinct (Phase 1)	100%	40%	10%		The target of 50% development progress has not been achieved as planned for the 2015/16 financial year. Following the site handover on the 22 June 2015, the contractor commenced with site establishment however on the 3 July 2015 the community stopped work on site due to unresolved concerns. The project has been on hold for 15 months. The JDA conducted a meeting with the project team and the site again was handed over to the contractor on the 19 April 2016. On the 20 April 2016 the contractor reported that their site camp had been vandalised by members of the community and ordered the security guards to vacate the site. Negotiation will resume after the elections. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and that the expected end date remains end of current financial year.
Westbury NMT (Phase 2)	100%	100%	-		Project completed.
Westbury Pedestrian Bridge	100%	89.2%	10.8%		Construction of a pedestrian bridge is at the advanced stage and snagging is under way.
Westbury NMT (Phase 3): Westdene Dam Precinct Upgrade (Concept Design)	100%	16%	-		Concept design has been completed. Detailed design is underway, and the target of 10% development progress has been achieved as planned for the 2015/16 financial year.
Knowledge Precinct: Campus Square Bridge (Detailed Design)	100%	10%	15%		An original concept design was been completed. Traffic Engineering Studies Completed. The target of 25% ( <b>detailed design</b> ) development progress has not been achieved as planned for the 2015/16 financial year. This was due to the changes requested by City Transformation to the concept, which impacted on the detailed design. Currently a new detailed design is at an advanced stage pending changes required by the client, architect and stakeholders. Construction expected to commence mid October 2016.
Rotunda Park Precinct (Phase 1)	100%	100%	-		Project completed.
Rotunda Park Precinct (Phase 2)	100%	25%	25%		Phase 2 target of 50% development progress has not been achieved as planned for the 2015/16 financial year. Tender procurement was advertised closed on the 11 April 2016. Delays were due to JDA internal processes to approve recommended bidder and furthermore there was a delay in approval of Town Planning processes

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					for the portion of road which is privately owned. In 2016/17 the contractor will be appointed and commence with construction up to practical completion. The overall scope of works entail bulk infrastructure upgrades which aims at supporting the envisaged Corridor development. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and that the expected end date remains end of current financial year.
Randburg CBD Precinct Development (Phase 1)	100%	100%	-		Project completed.
Randburg CBD Precinct Development (Phase 2)	100%	64%	36%		Construction is underway. Delays were due to unavailability of material and furthermore the main contractor took longer than anticipated with regards to the building of the planters and this delayed the progress substantially. The project will continue without pause in 2016/17 financial year; the scope of work entails continuation of the construction stage up to practical completion. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and the expected end date remains end of current financial year.
Corridors of Freedom Sports Facilities: Union Stadium	100%	97%	3%		Construction is at the advanced stage and anticipated completion on the 30 June 2016.
Corridors of Freedom: Patterson Park (Phase 1)	100%	100%	-		Project is complete
Corridors of Freedom: Patterson Park (Phase 2)	100%	64%	36%		Phase 2 contractor was appointed and construction commenced on the 14 April 2016. This late start created a delay which impacted on the development progress. There were also stakeholder concerns regarding EIA's, which were addressed by the project team. In 2016/17 construction will continue without pause up to 100% completion. The expected end date remains end of current financial year.
Orlando Ekhaya New Community Centre	100%	-	-	-	<b>KPI removed.</b> The project was withdrawn by client department due to budget unavailability.
Brixton Social Cluster (Concept Design)	100%	0%	10%		The target of <b>10% (Concept Design)</b> development progress has not been achieved as planned for the 2015/16 financial year. Delays were due to Development Planning delaying the process of finalizing the Urban Design Framework for the area. The scope of works for the 2016/17 financial year is to appoint the full professional team, conduct necessary field investigations, develop a concept design, procure a main contractor and commence with construction. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and that the expected end date remains end of current financial year.
Noordgesig Social Precinct Redesign (Concept Design)	100%	10%	-		The project design team was appointed in December 2015. Concept design was approved on the 15 June 2016. Heritage studies are in progress and draft Preliminary Heritage Report to be submitted. Construction will commence in 2016/17 financial year. The target of <b>10% (Concept Design)</b> development progress has been achieved as planned for the 2015/16 financial year.
Knowledge Precinct: UJ Cycle Lanes	-	-	-	-	<b>KPI removed.</b> Project not implemented as the funding was withdrawn by the client department (Transport).

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Knowledge Precinct: Milpark Owl Street Precinct	-	-	-	-	<b>KPI removed.</b> Project not implemented as the funding is only to be made available in 2016/17 by client department (Transport).
Pennyville Community Hall	-	-	-	-	<b>KPI removed.</b> Project not implemented as the funding is only to be made available in 2017/18 by client department (Transport).
Balfour Park	-	-	-	-	<b>KPI removed.</b> Project not implemented as the funding is only to be made available in 2017/18 by client department (Transport).
Pocket Places on Louis Botha Corridor	-	-	-	-	<b>KPI removed.</b> Project not implemented as no funding was made available in 2015/16.
Louis Botha Co-Production Zone for Social Interventions	-	-	-	-	<b>KPI removed.</b> Project not implemented as no funding was made available in 2015/16.
Perth/Empire Corridor Co-Production Zone for Social Interventions	-	-	-	-	<b>KPI removed.</b> Project not implemented as no funding was made available in 2015/16.
Number of Short Term EPWP job opportunities created through Programme 2 construction contracts	1559	184	1375		<b>184</b> short term EPWP jobs have been created for 2015/16 financial year; under programme 2 construction contracts. Underperformance was due to (i) the phasing of new reporting and evidence requirements for EPWP (ii) the impact of employment based on contract basis, specifically where multiple tasks under one contract only count as a single work opportunity (iii) not holding the contractor / team to account to drive EPWP as well as provide necessary reports and supporting evidence. The organisation will focus on internal and external education on the expectations and processes surrounding EPWP. The organisation will also ensure development teams have the necessary support and direction from the administration and M&E units.
BBBEE expenditure share as a % of total Capex in Programme 2	100%	76%	14%		Target on BBBEE expenditure was not achieved. The organization will focus on accelerating this process by ensuring that the awareness of tenders and training or support for tendering made available to ensure that all target expenditure is spent as planned.
SMME expenditure share as a % of total Capex in Programme 2	30%	19%	15%		Target on SMME expenditure was not achieved. Underperformance was due to limited direct appointment of SMMEs, as well as under-reporting of SMMEs who work through subcontracts. The organization will focus on accelerating this process by ensuring that there is an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Of which: Jozi@Work SMME expenditure share as a % of total Capex in Programme 2	5%	0%	5%		Target on Jozi@Work expenditure was not achieved. Underperformance was due to limited planning for Jozi@work work packages. The organization will focus on accelerating this process by ensuring that there is an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Positive media reports as a % of the total number of media reports on the JDA in the Station Precincts	90%	100%	0%		Target achieved
Number of property developments facilitated by the JDA in the Station Precincts	1	1	0%		Target achieved
<b>Additional Projects</b>					
Corridors of Freedom: Westbury Transformation Development Centre	100%	35%	5%		The development progress target of <b>40%</b> was not achieved as planned for the 2015/16 financial year. This was due to poor and late procurement planning and a lack of capacity. The tender procurement has been advertised and it was closed on the 1 June 2016. Construction expected to commence 30 July 2016. Going forward, all procurement plans in

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					the contracting strategies will be monitored by SCM.

## Programme 3: GMS priority area planning and implementation

**Programme purpose:** Manage the development of strategic economic nodes in marginalised areas through capital investments by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.

This programme develops activity nodes in priority development areas to improve living conditions and create sustainable human settlements. It aims to create new economic opportunities, accommodate employment opportunities and provide access to markets and mass transit services. Guided by the urban development frameworks prepared in partnership with the Department of Development Planning, the JDA implements multi-year township development projects that include the creation of high streets and activity nodes, and the construction and upgrade of strategic amenities such as transit facilities (including taxi ranks), trading infrastructure, libraries, recreation centres, multipurpose centres, public open spaces and green spaces. Wherever possible, the JDA establishes community development partnerships, including partnerships in the retail and housing sectors, to stimulate private property development.

The JDA's business plan identified two area development projects and a portfolio of technical assistance projects to be implemented on behalf of the CoJ Departments of Housing, Health and Social Development, including a new assignment to develop a fire station in Cosmo City for Emergency Management Services under programme 3 in 2015/16. These projects made up a capital budget funded through:

- The urban settlements development grants allocation to the CoJ. This grant is channelled through the JDA for Kliptown.
- The neighbourhood development partnership grants allocation to the CoJ, which is channelled through the Department of Development Planning for Diepsloot.
- Various CoJ funding allocations, including the Departments of Health, Housing, Community Development and Emergency Management Services.

### Progress on projects

#### *a). Kliptown development*

In 2015/16 a COJ Technical Steering Committee was set up and consists of most of the MOE's and City Departments. The aim of the Committee is to guide the planning and prioritisation of interventions in the area over the next three years. A decision was taken to prioritise the upgrade of the interface between the WSSD and Union Road. This would define trading spaces and enable better movement for pedestrians and visitors. The scope of work also includes limited remodelling works at the Kliptown Hotel and the rollout of Wi-Fi. The upgrading of the informal trading section was deferred as the scope of works is yet to be agreed upon. The new phase of construction will start in the fourth quarter of 2016.

#### *b). Diepsloot development*

The CoJ's development programme for Diepsloot aims to establish the area as a socially, economically and environmentally sustainable human settlement that is spatially integrated into the city, with access to basic services and opportunities for social mobility and economic development. The CoJ was allocated a multi-year capital grant through the National Treasury's neighbourhood development partnership grant (NDPG). In 2015/16 the focus was on the completion of phases 2 and 3 of the Ingonyama Road Upgrade.

#### *c). Technical assistance projects: Sol Plaatjie Road construction*

In 2012/13, the JDA was requested to take on the role of implementing agent to build road infrastructure on behalf of the CoJ Department of Housing. The JDA completed phase 1 of the construction of roads and stormwater systems in area 1 and area 2 of Sol Plaatjie in 2012/13 and area 3 was completed in 2013/14. In 2015/16 the last phase of this project entailed the construction of a link road between Sol Plaatjie and Dobsonville. Construction of this phase of the project started on the 3<sup>rd</sup> November 2015 and was completed in June 2016.

**d). Technical assistance projects: CoJ clinics programme**

The CoJ's Directorate of Health appointed the JDA to manage its capital works programme. In 2015/16 the JDA implemented development projects for various clinics on behalf of the Directorate of Health, these included:

- CoJ Clinics: Noordgesig
- CoJ Clinics: Orchards
- CoJ Clinics: Westbury
- CoJ Clinics Claremont
- CoJ Clinics: Ennerdale
- CoJ Clinics: River Park
- CoJ Clinics: Ebony Park (Concept Design)
- CoJ Clinics: Esselen Street
- CoJ Clinics: Florida (Concept Design)
- Golden Harvest Rehabilitation Centre
- Langlaagte Pharmacy Depot

**e). Technical assistance projects: Cosmo City fire station**

The JDA has been appointed as implementing agent to construct a new fire station in Cosmo City for Emergency Management Services. In 2015/16 the project entailed the construction of a new quality fire station to service Cosmo City. Construction commenced in October 2015 when the budget confirmation was received on the 8<sup>th</sup> of September from the client department.

**f). Technical assistance projects: Alexandra and Bambanani automotive property developments**

The CoJ Department of Economic Development initiated two property development projects to expand the automotive industry cluster in Gauteng; the Bambanani automotive node in Ivory Park and the Alexandra automotive industrial node.

In 2015/16, construction of the Alexandra Automotive Park started in June 2015, with the aim of completing the construction works by end December 2016. An internal team is currently working on a sustainability plan. It is envisaged that this process will be completed prior to the anticipated completion of the construction work.


There has been no development progress for the Bambanani automotive node in Ivory Park as no suitable site has been made available for the development.

**g). Technical assistance projects: Golden Harvest Rehabilitation Centre**

The CoJ Social Development Department appointed the JDA to plan and design the Golden Harvest Rehabilitation Centre upgrade. The centre is located in Randburg and can currently accommodate only 20 patients at any time. The project aims to increase capacity by providing additional facilities on the premises, including a new detox unit, additional accommodation and extensive refurbishments to the administrative centre. In 2015/16 and 2016/17 this project will focus on construction of a detox centre and the administration wing of the facility with the aim to deliver the completed project by August 2016.

**Performance against KPIs**






*Programme 3: Capital expenditure*





KPI	2015/16 Expenditure Target (cumulative)	2015/16 Actual	2015/16 Variance	2015/16 Achievement Score	% Actual YTD	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Percentage of capital budget spent	100%	81%	19%		81%	Target partially achieved. Under expenditure was experienced due to project delays in various projects including Kliptown Phase 2 and Orchards Clinic. Improved

















						project monitoring and control processes will be instituted to ensure possible risks and delays are addressed earlier on
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*Programme 3: Development progress per project*

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Kliptown Precinct Re-Development (Phase 2)	100%	48%	17%		Phase 2 target of 65% development progress has not been achieved as planned for the 2015/16 financial year. The reasons include the delays in agreement of scope with the client and finalising detailed designs. This impacted the appointment of new contractor and there are also SMME issues on site. A new contractor has been appointed for the construction work for phase 2. The contractor was introduced to the community on 23 March 2016. An SMME mentor was appointed to assist with the development of the SMMEs through the project. There are 7 SMMEs have been appointed to work on the civil works and ancillary work packages. SMMEs commenced with the works on 22 June 2016. Removal of the existing paving on the sidewalks and demolition of the concrete slabs has been completed. Demolition of the ruins, refuse yard and removal of the underground bins to commence. The existing ablution block to be demolished after the refurbishment of the existing toilet block close to the hotel. The professional team to commence with the design meetings for phase 3 of the project. In the new financial year the contractor will be on onsite together with the SMMEs who have also been appointed for the construction of all the sidewalks, resurfacing road, public lighting, Wi-Fi infrastructure, generator installation, bronze sculptures and heritage trail. Focus will be on additional project management to unlock delays and ensure that construction is under way. The expected end date remains before the commencement of Phase 3.
Diepsloot Development Ingonyama Road Upgrade (Phase 2)	100%	100%	-		Project completed.
Diepsloot Development Ingonyama Road Upgrade (Phase 3)	100%	100%	-		Project completed.
Alexandra Automotive Industrial Park	100%	49%	16%		The target of 65% development progress has not been achieved. Delays have been experienced due to the discovery of hard rock and ground water on the site. Furthermore, Eskom had to conduct a 3 month timeline procedures for relocation of cables. The contractor cannot complete the bulk earthwork excavations until the cables are disconnected and removed. Such issues will be mitigated upfront through mandatory geo-tech assessments. The anticipated date of completion August 2016; which is Q1 of the 2016/17 financial year.
Cosmo City Fire Station	100%	67%	33%		There were delays in the approval of the plans and the securing of a water use license for this project. This impacted construction timelines. Construction is currently underway and anticipated date of completion is

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					February 2017. In 2016/17 construction will continue without pause. The issue of insufficient 2016/17 budget to complete the project has been escalated to the client and feedback is expected on the second week of August 2016.
Diepsloot Community Centre	-	-	-	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev).
Lehae New Library	100%	58%	42%		The project is behind schedule due to the late contractor appointment and various construction delays. Delays were due to outstanding use and maintenance agreement from ComDev. This has delayed the approval of the SDP and building plans by Development Planning and Building Control. The project is currently at construction stage which started on the 9 May 2016. The anticipated date of completion is end of January 2017. The scope of works for the 2016/17 financial year entails continuation of the construction stage up to practical completion stage. Greater effort is required to tighten up project management oversight on this project.
Rabie Ridge Multi-Purpose Centre	100%	50%	50%		The project is behind schedule due to the late start and construction delays. Construction in progress, a contractor was appointed on the 25 February 2016. Project completion is anticipated in the August 2016. In 2016/17 construction stage will progress until completion stage. Furthermore, the focus will be on additional project management attention to unlock delays and ensure that construction is under way and that the expected end date remains.
CoJ Clinics: Noordgesig	100%	47.8%	17.2%		The target of <b>65%</b> development progress has not been achieved. Delays were due to late appointment of the contractor and there have been a number of further delays due to issues arising from unskilled SMME appointments and various other labour related issues. Construction has commenced. The contractor is progressing with earthworks and foundation preparations. The anticipated date of completion is 5 December 2016. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and that the expected end date remains.
CoJ Clinics: Orchards	100%	59.8%	10.2%		The target of <b>70%</b> development progress has not been achieved as planned for the 2015/16 financial year. Construction is underway. Rezoning and objection from residents delayed the start of this project. Rezoning has been approved and the new rights have been proclaimed. Building Plans are at final approval stage. The SMME database had to be re-opened for registration as there was a complaint from the community that the previous process was not widely publicized; this was following the submission of profiles by SMMEs that were not on the database. The delays experienced have pushed the project into 2016/17 financial year. Anticipated completion date 26 October 2016. The focus will be on additional project management attention to unlock delays and ensure that construction is under way and that the expected end date remains.

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
CoJ Clinics: Westbury	100%	97%	3%		Construction of a new double storey clinic is at an advanced stage. The project is currently at snagging stage. Delays were due to 2 months delay in the contractor approval process and illegal occupants on site. Completion is expected in Q1 of 2016/17.
CoJ Clinics Claremont	100%	30%	10%		The project concept and detailed designs have been approved. Tender procurement process underway. Delays were due to delay in issuing of the Title Deeds for even consolidation application submission. The JDA has engaged the JPC to assist in tracing the Title Deeds. The target of <b>40%</b> development progress has not been achieved as planned for the 2015/16 financial year. In 2016/17 the focus will be on the appointment of the main contractor and commencing with the construction stage up to practical completion.
CoJ Clinics: Ennerdale	100%	100%	-		Project completed.
CoJ Clinics: River Park	100%	100%	-		Project completed.
CoJ Clinics: Ebony Park (Concept Design)	100%	8%	2%		The project is behind schedule due to the late appointment of the professional team. This project is currently in the inception phase. Concept designs are underway; approval is anticipated by the end of July 2016. The target of <b>Concept Design (10%)</b> development progress has not been achieved as planned for the 2015/16 financial year. In 2016/17 the focus will be to finalise concept design approval, field investigation, detailed design, contractor appointment and commencing with construction stage.
CoJ Clinics: Esselen Street	100%	95%	5%		Construction is at an advanced stage with only project snagging to complete.
CoJ Clinics: Florida (Concept Design)	100%	8%	2%		The project is behind schedule due to the late appointment of the professional team. Concept designs are at the advanced stage, approval is anticipated end of July 2016. The target of <b>Concept Design (10%)</b> development progress has not been achieved as planned for the 2015/16 financial year. The scope of works for 2016/17 financial year entails concept development, field investigation, detailed design, contractor appointment and commencing with construction stage.
Golden Harvest Rehabilitation Centre	100%	52%	48%		A public meeting was held on the 23 May 2016 to introduce the contractor to the community. Construction is underway and the anticipated completion date is 31 August 2016. Delays were due to local labourers going on strike demanding an increase in the rate of pay. In 2016/17 the focus will be on the continuation of construction without pause since this is a multi-year project.
Sol Plaatjie	100%	100%	-		Project has been completed.

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Langlaagte Pharmacy Depot	100%	50%	15%		Site handover was done on the 5 February 2016. Construction is underway. The target of 65% development progress has not been achieved as planned for the 2015/16 financial year. Delays were due to township establishment process. JDA has engaged the JPC to assist in tracing the Title Deeds. In the new financial year construction will continue without pause and the anticipated date of completion is November 2016.
CoJ Clinics: Protea South	-	-	-	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
Stretford New Library	-	-	-	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev).
CoJ Clinics: New Turffontein	-	-	-	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
CoJ Clinics: Zandspruit	-	-	-	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
CoJ Clinics: Parkhurst	-	-	-	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).
Number of Short Term EPWP job opportunities created through Programme 3 construction contracts	1856	189	1667		<b>189</b> short term EPWP jobs have been created for 2015/16 financial year; under programme 3 construction contracts. Underperformance was due to (i) the phasing of new reporting and evidence requirements for EPWP (ii) the impact of employment based on contract basis, specifically where multiple tasks under one contract only count as a single work opportunity (iii) not holding the contractor / team to account to drive EPWP as well as provide necessary reports and supporting evidence. The organisation will focus on internal and external education on the expectations and processes surrounding EPWP. The organisation will also ensure development teams have the necessary support and direction from the administration and M&E units.
BBBEE expenditure share as a % of total capex in Programme 3	100%	100%	-		Target achieved
SMME expenditure share as a % of total Capex in Programme 3	30%	15%	15%		Target on SMME expenditure was not achieved. Underperformance was due to limited direct appointment of SMMEs, as well as under-reporting of SMMEs who work through subcontracts. The organization will focus on accelerating this process by ensuring that there is an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%		Target on Jozi@Work expenditure was not achieved. Underperformance was due limited planning for Jozi@work work packages. The organization will focus on accelerating this process by ensuring that there is an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Positive media reports as a % of the total number of media reports on the JDA in the GMS Priority Areas	90%	57%	33%		The organisation will focus on being more proactive, instead of reactive. The aim is to ensure that communication supports the JDA's Marketing and Communication Strategy by being effective and aligned with the organisational objectives.
Number of property developments facilitated by JDA in GMS priority areas including	1	1	-		Target achieved

## Programme 4: Greenways

**Programme purpose:** Manage the development of strategic mass transit services and corridors through capital investments by overseeing integrated investments by other departments and entities, and by facilitating partnership initiatives.

The greenways programme aims to reshape land-use patterns to promote new mass public transport corridors (including the roll out of BRT infrastructure) and a network of NMT infrastructure that promotes walking, cycling and the use of streets as public open spaces.

The medium-term implementation plan (2013/14 to 2015/16) has been developed and agreed to by the National Department of Transport and the National Treasury (in terms of the medium-term grant funding commitment), the Mayoral Committee, and the JDA's Board of Directors. The plan includes the construction of dedicated bus ways and bus stations; the construction of associated infrastructure, including multi-modal interchange facilities, bridges and road upgrades to ensure mobility and access; bus depots and layovers; and associated non-motorised transit infrastructure.

The JDA's construction work comprised Rea Vaya BRT infrastructure and technical assistance projects for the Department of Transport to build non-motorised transit infrastructure to support corridor development. The projects are funded through the public transport infrastructure and systems grant from the National Department of Transport and capital budgets allocated by the CoJ for NMT infrastructure and the Corridors of Freedom. The work will be dominated by the construction of bus ways and stations (sections 8 and 15), which provide for the third trunk route (1C) that connects the inner city with Alexandra (along Louis Botha Avenue) and Alexandra with Sandton (along Katherine Street).

The JDA will continue to serve as the implementing agent for the Rea Vaya BRT infrastructure. It will also seek to incorporate pathways, cycleways and pedestrian infrastructure such as shelters and lighting into all public environment upgrading projects through a series of priority implementation projects in Soweto, the inner city and Alexandra.

### Progress on projects

#### a). Section 15 Phase 1 and 2

This phase is part of the Rea Vaya Phase 1C Section 15 trunk route. Section 15 starts at the corner of Empire and Victoria Avenue, turns left at Empire Road and Clarendon Road and traverses along Louis Botha Avenue until the intersection of Pretoria Main and Lees Street and is approximately 12 km long.

During 2015/16 the scope of works entailed completion of the Phase 1 construction. Phase 1 entails pavements strengthening of the BRT lanes, service relocation and upgrades, resurfacing of affected streets, street lights and traffic lights upgrades. Also to be done this financial year will be the continuation of the Phase

2 construction. Phase 2 entails construction of mixed traffic lanes, pedestrian walkways, services upgrades, road widenings, street light and traffic light upgrades.

**b). Section 15I – Great Walk Pedestrian Bridge**

The Great Walk Pedestrian Bridge is part of the high quality pedestrian infrastructure that includes cycle lanes, from Alexandra to Sandton. This project traverses along Roosevelt Street, 1<sup>st</sup> Avenue, Watt Avenue in Alexandra and Rautenbach Avenue in Wynberg over the Grayston Interchange. The Great Walk Pedestrian Bridge is a dedicated pedestrian bridge over the Grayston Interchange and is meant to facilitate an easy and safe crossing point to about 10 000 pedestrian that walk between Alex and Sandton daily.

**c). Section 8A – M1 Flyover Bridge**

The M1 Flyover Bridge is part of the Rea Vaya Phase 1C Section 8 trunk route. The Section 8 trunk route connecting Alexandra to Sandton starts at the corner of Louis Botha Avenue and Lees Street traverses over the M1 Highway (through the M1 Flyover Bridge) and lands on Katherine Street and traverses straight until the corner of Katherine and West Street, and up to the Sandton Gautrain Station precinct.

The scope of works for this project entailed construction of a new BRT dedicated bridge over the M1 Highway. During the 2015/16 financial year the scope of works entailed continuation of the construction stage up to 55% complete. The overall completion is planned for March 2017.

**d). Section 8B – Sandspruit Bridge and Marlboro Road widening**

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The scope of works for this project entails widening of the Sandspruit Bridge from two-lanes to six lanes, with the two inside side lanes dedicated for BRT. Included in the scope of works is the construction of a new right turning lane off Katherine Drive into Marlboro Drive and a new lane off Marlboro Drive onto the M1 North On-Ramp. The project also involves street light upgrade, soft and hard landscaping. All public consultation processes have been completed.

During the 2015/16 financial year the scope of works entailed continuation of the construction stage up to 80% completion. The overall completion is planned for November 2016.

**e). Section 8C – BRT Lanes and mixed traffic lanes between Grayston and West Street**

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The scope of works for this project entails widening of certain sections of Katherine Drive, pavement strengthening, construction of pedestrian walkways and cycle lanes, street light upgrade and upgrade of infrastructure services.

During the 2015/16 financial year the scope of works entailed the continuation of the construction stage up to practical completion.

**f). Sandton Loop**

This project is part of the Rea Vaya Phase 1C Section 8 trunk route. The project aims to provide a dedicated public transport circulation link in the Sandton CBD which will include BRT and non-BRT modes of public transports. The project entails the design and construction of a dedicated public transport lane along Katherine Street between West and Fifth Streets, along Fifth Street between Katherine Street and Rivonia, along Rivonia Road between West Street and Fredman Drive and along Fifth Street between Freedman and Rivonia Road.

Included in this project is the design and construction of high quality Non-Motorised Transport (NMT) infrastructure along West Street between Rivonia Road and Grayston Drive and along Maude Street, from Rivonia Road to Fifth Street. During the 2015/16 financial year the scope of works entailed commencement of the construction stage up to 45% completion. The overall completion is planned for January 2017.



#### **g). Alexandra Public Environment Upgrade**

The Alexandra Public Environment Upgrade project is part of the Rea Vaya Phase 1C operations. It aims at developing high quality pedestrian walkways and connects the greater Alexandra to all key public transport nodes and areas of economy that surrounds it. This project is based on the strategy of liveable Cities. The project entails design and implementation of NMT strategies that connect the greater Alex communities to all areas of public interests including the Rea Vaya Phase 1C. The objective of a complete street concept is to create green and liveable streets with primary focus on pedestrian mobility rather than motorists. The scope of works entails design and implementation of high quality walkways, cycling lanes, speed calming measures, soft and hard landscaping and street lighting. For implementation purposes the project has been divided into three phases. During the 2015/16 financial year the scope of works entailed continuation of the construction stage until final completion. Phase 2 was completed in February 2016.

In the 2015/16 financial year the professional team was appointment to commence with the required planning activities for Phase 3. The scope of works in this financial year for this phase only entailed the appointment of the professional team and field investigations.

#### **h). Section 9 Sandton to Randburg**

This project is part of the Rea Vaya Phase 1C. The Section 9 trunk route aims at connecting Randburg CBD, Montecasino to Sandton CBD. It starts at the corner of Fifth Street and Rivonia Road in Sandton, traverses along Sandton Drive, William Nichol and Republic Road to both Randburg and Montecasino.

COJ Transportation has indicated that this route should be implemented as a High Occupancy Vehicle (HOV) first to determine and develop demand for future comprehensive BRT operations.

During the 2015/16 financial year the scope of works entailed detailed Traffic Impact Assessment (TIA) to assess the project viability and concept development. The implementation of this project is planned to commence next financial year.

#### **i). BRT Alex Loop**

This project is one of the Rea Vaya Phase 1C complementary routes. It aims at providing BRT services into the greater Alex on non-dedicated BRT lanes. This complementary route will commence at the intersection of Louis Botha Avenue and Vasco Da Gama Road, it will traverse along Vasco Da Gama Road, Lombardy Road into London Road and back to Louis Botha Avenue. During the 2015/16 financial year the scope of works entailed a detailed Traffic Impact Assessment (TIA) to assess the viability of this complementary route and concept development.

#### **jj). Klipspruit Valley Road Rehabilitation**

The Klipspruit Valley Road is part of the Rea Vaya Phase 1A. A section of this route was damaged by flooding over the last two years. This project aims at investigating the extent of the damage and a long term design solution to avoid future flood damage. The scope of works for this financial year entailed detailed Geotechnical Investigation, Hydrological studies and development of possible options to be considered for interventions.

#### **k). Rea Vaya BRT Phase 1C Station**

This project entails construction of ten new BRT dedicated stations along Sections 8 and 15 (7 along Section 15 and 3 along Section 8). The scope of works for this financial year entailed commencement of the construction stage on at least 3 stations. The commencement of the construction stage will be depended on City of Johannesburg completing the revised business plan timeously.

#### **m). Phase 1A, 1B and 1C NMT**

This project entails design and implementation of NMT infrastructure along the existing BRT feeder routes and around the existing station precincts. The project aims at providing high quality pedestrian walkways connecting pedestrians to the Rea Vaya feeder routes and stations.

During the 2015/16 financial year this project has been divided into separate projects that cover BRT Phase 1A, Phase 1B and Phase 1C. Phase 1A: The scope of works this financial year entailed contractor appointment and



construction of Phase 1A Feeder route project to practical completion. Also contractor appointment and construction of Phase 1A Feeder route Phase 2 up to 5%. The overall completion of the projects is planned for November 2016.


#### *m). Depots and Terminals*

For the operations of Rea Vaya Phase 1B and Phase 1C two Depots and two Terminals are required. The first Depot is located in Selby and it will be a full Depot that will be shared between Phase 1B and Phase 1C operations. The second Depot is located in Midrand opposite the Gautrain Station. This Depot will be designed as a full Depot but will only be implemented as a Holding and Park and Ride facility for the September 2017 Phase 1C operations.








Over and above the two Depots, there is a Terminal / Transfer points which are required for the September 2017 Phase 1C operations. The scope of works this financial year is to complete Preliminary and Detailed designs for Phase 1 of the Selby Depot. Phase 1 entailed the parking area only. On the Midrand Depot the scope of works entailed completing 75% of the Preliminary Stage. For the Ivory Park Terminal, Emthonjeni Terminal the scope of works entailed completion of the concept design stage.

#### **Performance against KPIs**

Programme 4: Capital expenditure







KPI	2015/16 Expenditure Target	2015/16 Actual	2015/16 Variance	2015/16 Achievement Score	% Actual YTD	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
% of capital budget spent	100%	108%	+8%		108%	Target achieved


Programme 4: Development progress per project

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Phase 1C Section 15 ( Phase 1)	100%	100%	-		Project has been completed.
Phase 1C Section 15 (Phase 2)	100%	85.9%	+25.9%		Construction is at an advanced stage and the project achieved practical completion at the end of August 2016. The target of 60% development progress has been achieved as planned for the 2015/16 financial year.
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 1)	-	-	-	-	<b>KPI removed.</b> Project was completed in 2014/15
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 2)	100%	100%	-		Project has been completed.
Phase 1C Section 8C (Alex to Sandton)	100%	100%	-		Project has been completed.
Phase 1C Sandton CBD Loop	100%	45%	5%		The target of 50% development progress has been achieved as planned for the 2015/16 financial year. Construction is underway. Anticipated project completion date is the April 2017.
Phase 1A NMT Station Precincts (Phase 1)	-	-	-	-	<b>KPI removed.</b> This project was divided into sub-projects: Orlando NMT, Noordgesig and Boomtown NMT and was completed in 2014/15.
Phase 1A NMT Station Precincts (Thokoza park NMT)	100%	100%	-		Project has been completed.
Phase 1A NMT Station Precincts (Basothong and Mavumbi)	100%	100%	-		Project has been completed.
Edith Cavell BRT Pavement	-	-	-	-	<b>KPI removed.</b> Project not implemented as project












KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Strengthening					funding was withdrawn and the scope of works was relocated to Section 15 (Phase 2) project by Client Department (Transport).
Phase 1A NMT Feeder Routes (Phase 1)	100%	100%	-	😊	Project has been completed.
Phase 1C Great Walk NMT (Section 15H)	100%	100%	-	😊	Project has been completed.
Phase 1C Alex Spur and Great Walk Pedestrian Bridge (Section 15I - Phase 1)	100%	66.57%	+16.57%	😊	Contractor is progressing well on site. The target of <b>50%</b> development progress has been achieved as planned for the 2015/16 financial year. Delays were due to the collapse of the scaffolding works which delayed the project by at least four months. Department of Labour has allowed the contractor to proceed with outside foundations and approaches. Discussions with Department of Labour uplift the full site closure are underway. False work construction is likely to resume 2016/17 financial year.
Section 1B Rea Vaya BRT Road Rehabilitation (Klipspruit Valley) (Concept Design)	100%	25%	+15%	😊	Concept designs are completed. Preliminary designs and flood risk assessment is completed. Alternatives for the different flood scenario has been developed and presented for consideration. The development progress target of <b>concept designs (10%)</b> has been achieved.
Section 2 Road Widening	-	-	-	-	<b>KPI removed.</b> Project was completed in 2014/15
Upgrading of Jukskei Bridge NMT links	-	-	-	-	<b>KPI removed.</b> Project not funded by the Client Department (Transport)
Phase 1B Station Precincts	-	-	-	-	<b>KPI removed.</b> This project was been completed in 2014/15.
Phase 1C Station Precinct	100%	10%	-	😊	Concept designs completed and approved. Pedestrian count analysis still underway.
Station Signage	-	-	-	-	<b>KPI removed.</b> Project was completed in 2014/15
Selby Bus Depots : City	100%	60%	+35%	😊	Phase one and two designs have been finalised by the professional team. The topographical survey and geo-tech have been completed. The target of <b>detailed design (25%)</b> development progress has been achieved as planned for the 2015/16 financial year.
BRT Land Acquisition	8	8	-	😊	There are 8 land parcels transaction that have been concluded or at point of conveyancing.
Bus Depots: Alex Layover Facility	-	-	-	-	<b>KPI removed.</b> Project placed on hold by the Client Department (Transport)
Bus Depots: Midrand/Ivory Park <sup>18</sup>	100%	25%	+15%	😊	Planning stage has been completed. Land acquisition has been finalized. The traffic study has been finalised. The designs layout has been finalised and the geo-technical study has been completed and the engineer is currently scrutinizing the report. The target of <b>concept design (10%)</b> development progress has been achieved as planned for the 2015/16 financial year.









<sup>18</sup> The KPI Description is Bus Depots: Midrand / Ivory Park, the KPI target is defined as Bus Depots: Midrand

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Watt Street Interchange <sup>19</sup>	-	-	-	-	<b>KPI removed:</b> Project not implemented as project was placed on hold and no funding was made available in 2015/16 by Client Department (Transport)
Ghandi Square Interchange	-	-	-	-	<b>KPI removed.</b> Project is on hold until COJ confirms way forward with managed lanes plan, because COJ Transportation is also implementing the same project which may be a duplication of work.
Greenstone Terminal	-	-	-	-	<b>KPI removed.</b> This project does not have budget allocation.
Emthonjeni Terminal (Concept and Detailed Design)	100%	10%	15%		Concept design have been completed and approved by the affected Taxi Association. Field and traffic investigations are currently underway. Project has been delayed due to approval of Operational Plan from the City and the project team is awaiting outcome from Mayco. The target of <b>Concept and Detailed Designs (25%)</b> development progress has not been achieved as planned for the 2015/16 financial year. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and the expected end date remains end of current financial year.
Station ITS	-	-	-	-	<b>KPI removed.</b> This project does not have budget allocation.
Phase 1A and B Retrofit	100%	100%	-		This project has been completed.
Number of Short Term EPWP job opportunities created through Programme 4 construction contracts	3458	675	2783		<b>675</b> short term EPWP jobs have been created for 2015/16 financial year; under programme 2 construction contracts. Underperformance was due to (i) the phasing of new reporting and evidence requirements for EPWP (ii) the impact of employment based on contract basis, specifically where multiple tasks under one contract only count as a single work opportunity (iii) not holding the contractor / team to account to drive EPWP as well as provide necessary reports and supporting evidence. The organisation will focus on internal and external education on the expectations and processes surrounding EPWP. The organisation will also ensure development teams have the necessary support and direction from the administration and M&E units.
BBBEE expenditure share as a % of total capex in Programme 4	100%	87%	13%		Target on BBBEE expenditure was not achieved. The organization will focus on accelerating this process by ensuring that the awareness of tenders and training or support for tendering made available to ensure that all target expenditure is spent as planned.
SMME expenditure share as a % of total Capex in Programme 4	30%	5%	25%		Target on SMME expenditure was not achieved. Underperformance was due limited direct appointment of SMMEs, as well as under-reporting of SMMEs who work through subcontracts. The organization will focus on accelerating this process by ensuring that there an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	0%	5%		Target on Jozi@Work expenditure was not achieved. Underperformance was due limited planning for Jozi@work work packages. The organization will focus

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					on accelerating this process by ensuring that there an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Positive media reports as a % of the total number of media reports on the JDA Rea Vaya construction work	90%	87%	3%		
Number of property developments facilitated by the JDA at Rea Vaya Stations	-	<b>KPI removed.</b> Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Transport)			

#### Additional Projects

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 3) (Concept Design)	100%	15%	+5%		Tender procurement is underway. Design stage is completed. . The development progress target of <b>concept designs (10%)</b> has been achieved for 2015/16 financial year.
Phase 1C Section 8A (M1 Flyover Bridge)	100%	80.8%	+20.8%		Construction is at an advanced stage and the project achieved practical completion at the end of August 2016. The target of <b>60%</b> development progress has been achieved as planned for the 2015/16 financial year.
Phase 1C Section 8B (Sandspruit River Bridge Widening)	100%	90%	+20%		Construction of the widening of Sandspruit River Bridge and Marlboro Drive is at an advanced stage and the project achieved practical completion at the end of July 2016. The target of <b>70%</b> development progress has been achieved as planned for the 2015/16 financial year.
Phase 1A NMT Feeder Routes (Phase 2) (Concept and Detailed Design)	100%	40%	+15%		The main contractor has been appointed and site handover will be in early July 2016. The development progress target of <b>concept and detailed designs (25%)</b> has been achieved.
Bus Depots: Booyens Layover Facility	100%	99%	1%		Project completed and handover process underway.
Park Station to Doornfontein Cycle Lanes	100%	100%	-		This project has been completed.
Alex BRT Loop	100%	10%	-		The concept design has been completed and detailed design is underway. The development progress target of <b>concept designs (10%)</b> has been achieved for 2015/16 financial year. Construction is due to start in November 2016.
Auckland Park Station Precinct NMT	100%	65%	+13%		Construction commenced on the 1 <sup>st</sup> April 2016. Jozi@Work packages were presented to the community on the 16 & 17 March 2016. Anticipated date of completion is 6 <sup>th</sup> October 2016. The target of <b>52%</b> development progress has been achieved for 2015/16 financial year.
Rosebank NMT and Cycle Lanes	100%	25%	+15%		Tender procurement is underway. Designs have been approved. The development progress target of <b>concept designs (10%)</b> has been achieved for 2015/16 financial year. Anticipated date of completion is end of September 2017.
Langlaagte to UJ NTM	100%	100%	-		Construction on this project has been completed and handed over to CoJ Transportation.
Drieziek Public Transport Facility	100%	5%	5%		Professional team has been appointed. A traffic impact assessment is currently underway. The site survey has been completed. The team is currently busy with site feasibility and concept layout design. The development progress target of <b>concept designs (10%)</b> has not been

					achieved for 2015/16 financial year. This project was delayed last financial year to land availability issues. However, the City has identified a suitable land and the process of field investigation is underway. The scope of works for the 2016/17 financial year entails concept development, detailed design and commences construction stage of a taxi rank, informal trading facilities and public environment upgrade linking to the facility.
Phase 1C Soft and Hard Landscaping (Detailed Design)	100%	85%	15%		Construction is at the advance staged in Phase 1C Soft and Hard Landscaping along the Great Walk is at <b>95%</b> and in Phase 1C Soft and Hard Landscaping along the Katherine Street the development progress is at <b>75%</b> . Development progress is reflected as the average of the two sites. Jozi@Work packages have been finalised and approved. In 2016/17 financial year the focus will be to complete the construction stage for all three projects; the Great Walk (from Alexandra to Katherine Drive), Section 8 (Katherine Drive), and Section 15 (Louis Botha). For the Louis Botha section, construction will commence in September 2016.
Hillbrow to Park Station (Detailed Design)	100%	100%	-		Project completed and handover process underway.
Rea Vaya BRT Section 9 (Sandton to Randburg) (Concept Design)	100%	10%	-		Concept design has been completed by end of April 2016. Traffic study completed. Microsimulation is underway. Geotech investigations suffered further delays due to wayleave process at JRA only 1 wayleave outstanding. COJ to confirm exclusion of Republic Road, as per currently Ph1C operations plan.
Lakeview and Klipspruit Valley NMT (Phase1)	100%	100%	-		Project completed.
Lakeview and Klipspruit Valley NMT (Phase 2)	100%	100%	-		This project has been completed.
Section 15J: Watt Road Work	100%	21.3%	18.7%		The planned scope of works for this financial year had not been achieved as it was targeted at <b>40%</b> development progress. In 2016/17 the focus will be on the appointment of the main contractor and start the construction stage. This was due to geotech issues identified late. Additional field investigations and testing it is at the advanced stage. Detailed design is underway.
Phase 1C Trunk Route TIA	100%	0%	-		The work is done when required.
Avalon Bus Depot	100%	5%	5%		The project was stopped by Client Department at concept stage, however the Environmental Impact Assessment Process is continuing. The development progress target of <b>concept designs (10%)</b> has not been achieved for 2015/16 financial year.

## Programme 5: Alexandra renewal project

**Programme purpose:** Manage the development of Alexandra through capital investments, overseeing integrated investments by other departments and entities, and facilitating community-based initiatives and local economic development strategies.

In 2001 the urban renewal programme was established to focus on eight urban townships, including Alexandra; the lessons learnt from these eight nodes were intended to improve the manner in which government supports township renewal across the country.

The Alexandra renewal project, which has been in existence for 12 years, is funded by the Gauteng Province and the CoJ. An area development masterplan guides the development of this historic neighbourhood and a number of housing and community development projects have been implemented. Constraints to future development include an interdict against property developments that are subject to an unresolved land claim. In 2013 the Mayoral Committee decided that the Alexandra renewal project should be amalgamated with the JDA. Projects will be moved to the JDA system as appropriate, and employees will be seconded to the JDA in a phased way to ensure the least possible disruption.

Key deliverables in 2015/16 include:

- Finalising the Alex masterplan and implementing a meaningful public participation process to agree on implementation priorities and collective action.
- Implementing capital works projects funded by the CoJ, human settlement grants and other intergovernmental grants.

### Progress on projects

#### *a). Banakekeleni Hospice Clinic*

The aim of the project is to upgrade the existing facility. An architect will be appointed to scope the works with inputs from civil, structural and electrical engineers. The operator is close to securing a 10 year lease agreement for the facility.

#### *b). 4<sup>th</sup> Avenue Clinic*

The contractor commenced with the construction of the new 4<sup>th</sup> Avenue Clinic in February 2016. The Department of Health is in the process of relocating the health services to other clinics in the area. Completion of the works is expected by end September 2016.

#### *c). Development of Open Spaces – Maputo Park*

The development of open spaces is an on-going programme in Alexandra. This project entails design and construction of a community park in Maputo Park, Alexandra.

During the 2015/16 financial year the JDA will develop a concept designs, complete detailed designs, conduct stakeholder consultations and appoint contractors. With regard to the project progress all field investigations have been completed, concept has been completed and submitted to City Parks for comments and input. Preliminary and detailed designs have commenced.

#### *d). Old Ikage Housing Development*

The project entails the development of approximately 200 social housing units. The professional team is currently working on a number of options which were presented to Joshco by end June 2016. The relocation of the illegal occupants on the site will need to prioritise to ensure that the site is vacant and available for construction in future years.

#### *e). Vincent Tshabalala Pedestrian Bridge*

This project entails the design and construction a pedestrian bridge in Alexandra Township to provide a safe crossing point. Traffic and pedestrian studies were conducted to confirm the warrant of this bridge

#### **f). Refuse Bins – Far East Bank Extension 9**

This is an on-going project to distribute 240 litre refuse bins to new households in Far East Bank. The scope of works is to purchase and distribute 680 bins in 2015/2016.

#### **g). Thoko Mngoma Clinic**

The contractor commenced with the construction of the Thoko Mngoma Clinic in February 2016. The scope of works entails the refurbishment of the existing clinic and the construction of a new wing that will house consulting rooms and administration offices. Completion of the works is expected by Q3 in 2015/17.


#### **h). Linear Markets**

This project entails the design and implementation of Linear Markets / Trading Stalls in Alexandra in front of the Pan Africa Taxi Rank and in Ivory Park Ext 2.



During the 2015/16 financial year the JDA will develop a concept designs for both Pan Africa Taxi Rank and Ivory Park, complete detailed designs, conduct stakeholder consultations and appoint contractors. Stakeholder consultation is ongoing. This is taking a form of a focus group with all the affected and interested traders, and then broader public meetings will be convened to introduce the project to the affected communities.

### **Performance against KPIs**







Programme 5: Capital expenditure








KPI	2015/16 Expenditure Target	2015/16 Actual	2015/16 Variance	2015/16 Achievement Score	% Actual YTD	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Percentage of capital budget spent	100%	61%	39%		61%	Target not achieved. Delays in the implementation of various project impacted the capital expenditure KPI. Greater oversight required of contracting and procurement plans.


Programme 5: Development progress per project

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
4th Avenue Clinic Alexandra	100%	40%	60%		Due to obtaining the necessary approvals from the client and the contingency plans for patients to attend alternative clinics, the project start was delayed. The contractor started construction on the 8 March 2016. The anticipated completion date is 8 November 2016. The scope of works for 2016/17 financial year entails continuation of the construction stage up to practical completion. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and the expected end date remains end of current financial year.
Banakekeleni Hospice Clinic	100%	0%	100%		No progress in preparing concept designs as there are disputes with client departments regarding land surrounding this project. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and the



KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					expected end date remains end of current financial year.
Jukskei River Environmental Upgrading and Rehabilitation Alexandra	-	-	-	-	<b>KPI removed.</b> To be funded in 2017/18
Old Ikage housing development Alexandra	100%	8%	92%		Several interactions have taken place between the JDA and JOSHCO with a view to fully assimilating the end user's requirements. The professional team has been appointed and the relevant pre-design studies (i.e. geotechnical investigations, traffic study and environmental screening) are currently being undertaken. Delay was due to inadequate handover of the project and land dispute between the school and the City. Furthermore, there are two illegal families occupying a part of the site. In 2016/17 financial year the focus will be on concept development, field investigation, and detailed design and commence construction. A decision from City Transformation is required on whether to proceed with project or not.
Peoples' Court, 7th Avenue (Old Alexandra) New Heritage Facility ALEXANDRA EXT.4	-	-	-	-	<b>KPI removed.</b> To be funded in 2016/17
Purchase of new Refuse Bins for New Housing on Far East Bank	100%	55.44%	44.56%		Procurement was made through Pikitup for only 55.44% of the refuse bins. Delays were due to internal lack of progress. Going forward the focus will be on additional project management attention to unlock delays and ensure that procurement is concluded before mid-year of each financial year.
Thoko Mngoma Clinic Marlboro	100%	40%	60%		The construction is underway. Delay was due to inadequate handover of the project as it was put on hold due to possibility of relocating the clinic to Marlboro. In 2016/17 financial year construction stage will continue without pause up to practical completion.
Development of Open Space - Maputo Park	100%	38%	2%		The development progress target of <b>concept designs and tender procurement (40%)</b> has been achieved for 2015/16 financial year. Tender procurement closed in June. Some delays were due to political instability and illegal occupants. JDA have conducted proactive communication and engagement process with the local councillor, local leadership and directly affected stakeholders. In 2016/17 financial year the focus will entail the appointment of the main contractor and commence with construction up to practical completion. However, if by end of quarter two the matter of illegal occupants is still outstanding the project will have to be cancelled and budget relocated.
Pedestrian Bridge Vincent Tshabalala Road	100%	5%	5%		The development progress target of <b>concept designs (10%)</b> has not been achieved for 2015/16 financial year. Professional team is conducting site investigation and concept design is underway. Delays were due to traffic impact assessment, pedestrian investigation and geotechnical report that has to be completed and recommendations were to influence the final concept and detailed designs. The scope of works for the 2016/17 financial year entails approval of concept design and detailed design, contractor appointment and commencement of the construction stage.
Alexandra Heritage Centre	100%	99%	1%		The Town Planner is progressing with making applications for the rezoning of the ERVEN where the Alexandra Heritage Centre building is located. Practical completion was achieved on the 11 December 2015. The special library project concept design has been approved

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
					and signed off. Fit and installation in the exhibition space scheduled to be completed on 31 August 2016.
Alfred Nzo Road Widening	-	-	-	-	<b>KPI removed.</b> To be funded in 2016/17
Pan Africa Linear Markets (Alexandra)	100%	50%	50%		Two contractors were appointed and site handover was done on the 20 <sup>th</sup> April 2016 for the first contractor and the second contractor it was on the 3 <sup>rd</sup> June 2016 for both Alexandra and Ivory Park respectively. Two container suppliers' companies have been appointed. The container fabrication is in progress. Delays were due to community protest which leads to work stoppage and hence progress has been poor in Alexandra. The scope of works for the 2016/17 financial year is entails continuation of the construction stage up to practical completion stage. Going forward the focus will be on additional project management attention to unlock delays and ensure that construction is under way and the expected end date remains end of current financial year.
Number of Short Term EPWP job opportunities created through Programme 5 construction contracts	160	38	122		<b>38</b> short term EPWP jobs have been created for 2015/16 financial year; under programme 5 construction contracts. Underperformance was due to (i) the phasing of new reporting and evidence requirements for EPWP (ii) the impact of employment based on contract basis, specifically where multiple tasks under one contract only count as a single work opportunity (iii) not holding the contractor / team to account to drive EPWP as well as provide necessary reports and supporting evidence. The organisation will focus on internal and external education on the expectations and processes surrounding EPWP. The organisation will also ensure development teams have the necessary support and direction from the administration and M&E units.
BBBEE expenditure share as a % of total Capex	100%	99%	1%		Target achieved
SMME expenditure share as a % of total Capex	30%	31%	+1%		Target achieved
Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	0%	5%		Target on Jozi@Work expenditure was not achieved. Underperformance was due limited planning for Jozi@work work packages. The organization will focus on accelerating this process by ensuring that there an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.
Positive media reports as a % of the total number of media reports on the JDA in Alex	90%	93%	+3%		Target achieved
Number of property developments facilitated by JDA in Alex	1	0	100%		Delays in property deals, transactions and facilitations were hampered by elements outside of the JDA's control, e.g. interest rates, investor appetite, legal issues, land etc. Greater effort will be placed on improved planning and facilitation over multiple years to ensure an improved pipeline of such transactions.
<b>Additional Projects</b>					












KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Ivory Park Linear Market	100%	55%	45%		Two contractors were appointed and site handover was done on the 20 <sup>th</sup> April 2016 for the first contractor and the second contractor it was on the 3 <sup>rd</sup> June 2016 for both Alexandra and Ivory Park respectively. Two container suppliers' companies have been appointed. The container fabrication is in progress. Delays were due to remuneration rates for local labourers and it was resolved. The scope of works for the 2016/17 financial year is entails continuation of the construction stage up to practical completion stage which is planned by end of August 2016.

## Programme 6: Administration and Management

**Programme purpose:** Provide strategic leadership and support services, including the accommodation needs and overall management of the JDA.

This programme accommodates shared services such as CEO, finance, internal audit, company secretariat, marketing and communications, risk and compliance, supply chain management, IT, human resources and facilities management. In 2015/16 this programme will work on ensuring compliant and effective management and administration to achieve a clean audit. The welfare and morale of staff are key considerations, as is the need to resource the JDA to implement rising capital budgets.

### Performance against KPIs

KPA	KPI	2015/16 Annual Target	2015/16 Actual	2015/16 Variance	2015/16 Achievement Score
Programme 6: Human resources	% Black employees	80%	90%	10%	
	% Female employees	45%	55%	10%	
	% Black female senior managers	35%	13%	22%	
	Staff Turnover	<10%	14%	0%	
	HIV voluntary testing opportunities	2	2	-	
	Compliance with Occupational Health and Safety Act at the Bus Factory	80%	91%	11%	
	Investment in training	3%	2%	1%	
Programme 6: Financial management and corporate governance	Unqualified audit reports	Clean Audit	Clean Audit	-	
	Overspending against operating budget	0%	0%	-	
	IT network availability – external	100%	100%	-	
Programme 6: Economic development	BBBEE expenditure share as a % of total operating expenditure	100%	86%	14%	
	SMME expenditure share as a % of total operating expenditure	40%	24%	16%	
	Jozi@Work SMME expenditure share as a % of total contracted services and repairs and maintenance	10%	21%	11%	
Spending of Operational Budget	Programme 6: % of operating budget spent (cumulative for the year to date)	100%	102%	+2%	

## Programme 7: Development facilitation

**Programme purpose:** Provide strategic leadership, coordination capacity, and analytical and negotiating skills to promote investment, establish and communicate shared development visions, and prepare a pipeline of implementation-ready property developments and capital works projects.

The programme, which gives effect to the extended mandate of the JDA as the development facilitation agency for the CoJ, includes development implementation, project development, land development and urban management support functions. The planning and strategy and development facilitation units play strategic roles at the JDA to ensure developments contribute towards the city's GDS vision and to facilitate easier, more participatory and better planned implementation of capital investments. The development facilitation and urban management specialists' work within all of the JDA development areas to popularise development plans, undertake feasibility studies and promote investment opportunities, identify property development deals by leveraging municipal owned property, lead property assembly strategy for these areas, initiate urban management and place-making partnerships and engage with stakeholders to support the achievement of the development objectives. Priority areas include the Corridors of Freedom, the Inner City and Alexandra.

In order to ensure that all stakeholders related issues are dealt with in a seamless manner across all activities of the JDA, the Board resolved to place the Stakeholder Management unit in the Development Facilitation Department. The Development Facilitation unit conducts its work in relation to stakeholder engagement in four distinct but fully integrated periods over the lifespan of a project. This ensures that the JDA is involved from the inception of a particular vision of a city precinct, to the full realisation of that vision.

The four periods identified, with some current initiatives are outlined below:

1. Vision / Concept stage
2. Translation of the vision into a concept project (Pre-approval phase)
3. The project implementation phase
4. Post-handover phase

Period	Projects	Role	2015/16 Highlights
Vision / Concept	African Food Hub	To establish institutional arrangements for the optimal functioning of the food hub.	Final agreement was reached with JPC on the management of the facility and the process to follow through an open call for expressions of interest for social businesses and management agencies. The call for expressions were finalised and will be sent out in line with the construction of the facility.  The JDA met with adjoining property owners, City Prop BASA School and UCKG Property (Ltd) to discuss the road closure, which was finalised in the 4 <sup>th</sup> quarter and towards long term partnerships with these land owners with the African Food Hub Facility. Ongoing discussions are taking place with UCKG Property (Ltd) on the objection of the rezoning of the road portion.
	Braamfontein	Stakeholder / development facilitation	Ongoing discussions with stakeholders on the Braamfontein Regeneration and Innovation Steering Committee (BRISC). Agreement was reached on the composition of the Committee, and Terms of Reference have been drawn up for consideration and approval.  The JDA assisted in and facilitated the establishment of a Transport Forum on transport planning in Braamfontein to ensure that the future vision of Braamfontein is based on sound transport evidence. Stakeholders include the Transport Department, the inner city office, Development Planning, the JDA, Wits and the Braamfontein City Improvement District. Through the transport working group it was established that a Traffic and Transport Study is required. COJ Transport signed a SLA with JDA for JDA to contract and manages the study. Wits' Architecture and

Period	Projects	Role	2015/16 Highlights
			Planning Department earmarked the precinct for research studies over a two year precinct.
	Inner City Eastern Gateway	Urban design framework and implementation plan	<p>To develop the Inner City Eastern Gateway Urban Design Framework and implementation plan for the development of the area. The JDA reached an agreement with internal city stakeholders on the scope of the work to be included in the framework, as well as a revised study area.</p> <p>Sessions were held with multiple city departments on the development of the UDF for the area as well as presentation made to the Region F Visible Service Delivery meeting to ensure that all plans from various departments have been taken into consideration, and that key areas of concern are incorporated into the plan. Further individual meetings were held with relevant departments notably transport department for additional data input.</p> <p>The JDA conducted a public participation session on 31 January with residents, businesses, property owners and other interested parties.</p> <p>Further individual engagements on the plan continue as the status quo is finalised and the interventions developed. It is expected that the plan will be completed and presented for comments by the end of June 2016.</p>
	Main Street – Ghandi Square East Development	Stakeholder / development facilitation	<p>With exciting developments underway in what is emerging as a creative industry and financial node in the Inner City east of Ghandi Square, interventions are required to facilitate better movement in terms of freight, private vehicles, public transport and non-motorised transport.</p> <p>The JDA Development Facilitation team is part of a task team in collaboration with COJ Transport, Transnet and ABSA to co-develop a safe, vibrant and well-designed public realm in the Ghandi Square East precinct.</p> <p>A draft RFP is being refined by COJ Transport Department, Development Planning and Private Sector Partners. ABSA has expressed interest in taking a lead in the plan as they require traffic and transportation data to inform their own planning.</p> <p>Together with Region F, a physical and social dis-order audit was conducted in the week 6-10 June 2016. CSIR partnered in this initiative, through testing of applications to collect data on urban management issues in the precinct. The report is expected to be finalised in July 2016 and will inform the Urban Design Framework.</p>
	Joburg Fresh Produce Market	Draft SLA with Joburg Market	On development preparation- identification of sites, and statutory approvals for the development of four distribution centres
	Inner City Investor Tour	Promote further investment	To foster partnerships with adjoining municipalities, Region F office hosted the Ekurhuleni Urban management office to demonstrate project development and management challenges in the Inner City of Johannesburg. The JDA shared landmark developments where it has played a role including Newtown, Chancellor House, Main Street, Ghandi Square and Maboneng. Ivory Park.
	Ivory Park	Stakeholder / development facilitation	The JDA facilitated the integration of the proposed Emthonjeni Interchange and Ivory Park Township Economy Revitalisation projects. Presentations were made to the Department of Development Planning. The project will be planned as a holistic project and will proceed on phased basis. .
	Louis Botha Corridor	Grant Avenue precinct plan	The proposed Grant Avenue Precinct Plan was successfully launched, and detailed work with the business community, residents, Region E and the Planning Department was undertaken to structure working groups for the planning


Period	Projects	Role	2015/16 Highlights
			process. The final plan is expected to be made available for public comments in early July 2016.
	Orange Grove	Stakeholder / development facilitation	The JDA is facilitating and assisting in private sector development initiatives in Orange Grove by providing technical advice on new development proposals in the Orange Grove. This enables private sector stakeholders to workshop development proposals with the Planning Department to that development proposal from private investor are aligned with and support the Corridors of Freedom objectives.
	Balfour Park Node:	Stakeholder / development facilitation	The JDA continued its support to the planning department with technical input as part of the UDF working group. The JDA was successful in facilitating ongoing private sector interest and involvement in the development of a landmark building to anchor the node, and is currently developing a stakeholder working group consisting of businesses, schools and other key role players to realise the future development potential of the node.
	Randburg	Stakeholder / development facilitation	The JDA continues to facilitate high level planning coordination meetings for COJ interventions in the Randburg CBD. Regular technical and operational meetings are conducted in collaboration with the Regional Office.
	Westbury Housing Project	Stakeholder / development facilitation	Facilitated the drafting of an SLA between the Department of Housing and JDA for the refurbishment of council housing units in Westbury with JDA as the implementing agent
Project Implementation Stage: Stakeholder Engagement	The Stakeholder and Community Engagement	Defining participation process	The Stakeholder and Community participation process starts with the presentation of concepts to the different Regional Directors, Ward councillors and ward committees to the community itself.
	Kliptown	SMME Tendering workshop for Kliptown	The JDA has developed a workshop programme that seeks to empower Kliptown SMMEs to be better able to tender for SMME work from JDA and other COJ entities.
Post-handover Phase	Jozi@Work incubator model	Development of model	Development of a Jozi@Work incubator model that will assist JDA Development Managers in developing post-handover management plans using Jozi@Work.
	Kazerne intermodal facility	Develop an operation and management plan for the use of the facility.	The JDA, in collaboration with JPC, is developing an operation and management plan for the future use of the facility, including allocation and negotiations with potential operators. Discussions were had with taxi operators on the facility in the 3rd quarter. Appointment of consultants to design the operational and management plan is to be finalised.
	Park Station, Turffontein and Hillbrow Tower	Area Based Management Plan.	In order to assist with the future management, operation and activation of areas in which the JDA delivers area based projects and services, Area Based Management Plans are designed in collaboration with JDA client departments, other city entities and local stakeholders. Such management plans are being compiled in Turffontein and Hillbrow, where consultants have been appointed to assist in drafting such plans which are to be developed and finalised within 4th quarter.
	Kliptown	Post implementation maintenance	Facilitated a joint planning session between JPC and JDA on the development of a post-handover management and area maintenance plan for Walter Sisulu Square of Dedication in Kliptown with the aim of using Jozi@Work.
		Stakeholder / development facilitation	The JDA is finalising the appointment of a service provider to design an activation plan for the square while working with local stakeholders in the square and the greater Kliptown.
	Jabulani	Precinct Management	Facilitated procurement of Service Providers in the








Period	Projects	Role	2015/16 Highlights
			application of the National Treasury's NDPG precinct management toolkit in Jabulani
	Constitutional Hill	Stakeholder / development facilitation	The deed of donation for the Constitutional Hill Historic donation of constitution court land parcel has now been signed by all parties. Sessions were convened for discussion on the future development of Constitution Hill with Provincial and COJ partners, and a Request for Interest has been developed with the Conhill Devco for future development of developable portions at Constitution Hill.

## Performance against KPIs

### Programme 7: Capital expenditure

KPI	2015/16 Expenditure Target (cumulative)	2015/16 Actual	2015/16 Variance	2015/16 Achievement Score	% Actual YTD	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Percentage of capital budget spent	100%	100%	-		100%	Target has been achieved

### Programme 7: Development progress per project

KPI	2015/16 Development Progress Target	2015/16 Development Progress Actual	2015/16 Development Progress Variance	2015/16 Achievement Score	Explanation of progress, variations and steps to be taken to improve performance (as at end of June 2016)
Corridors of Freedom: Strategic Area Framework (Phase 1)	-	-	-	-	<b>KPI removed.</b> Project was completed in 2014/15
Corridors of Freedom: Naming and Branding	100%	90%	10%		The naming process for the Empire Perth Corridor is well underway and the schools competition has been concluded with proposed names soon to be put out for public voting. Five names have been selected for the public voting process. The voting will be close end of June 2016. In Louis Botha Corridor there are a total of 15 schools including three from Alexander township. Roll-out of edutainment industrial theatre at school has been moved to July due to lack of response from the district. Schools are now preparing for June exams. School competition will be supported by a strong media and PR campaign.
Corridors of Freedom: Heritage Plans (Phase 2)	100%	100%	-		This project has been completed in full as per the scope of work. Final documents are being printed.
BBBEE expenditure share as a % of total Capex	100%	100%	-		Target achieved
SMME expenditure share as a % of total Capex	30%	64%	34%		Target achieved
Jozi@Work SMME expenditure share as a % of total Capex	5%	0%	5%		Target on Jozi@Work expenditure was not achieved. Underperformance was due limited planning for Jozi@work work packages. The organization will focus on accelerating this process by ensuring that there an Enterprise Development Manager that will focus on ensuring that all allocated expenditure is spent as planned.

## Progress on projects

### Corridors of Freedom: Naming and Branding

The naming and branding process was put in place to facilitate the following benefits:

- Involve people living and working in the Corridor to be involved in the naming of their Corridor
- Provide an opportunity to make people aware of their history
- Motivate people to appreciate the spatial reformation project

Detailed below is work done on the Empire Perth Corridor, also referred to as Corridor 1. The last activity on the naming of the Corridor will be the Council selecting one name from the five that were voted for by the public. The bullets below present a high-level view of the process for naming and branding the Empire Perth Corridor.

#### Key Milestones during the period July 2015 to July 2016:

- Public Service Announcement on radio and print (Star, Tuesday 25 Aug on page 6 and Monday 31 Aug on page 3 + community publications)
- Public Service Announcement on Kaya FM, UJ FM and Voice of WITS
- Awareness - digital, radio and outdoor so people start to connect to the naming process.
- Schools Competition – learners in grade 9 in groups of 5 from 11 schools positioned along the Corridor will conduct an oral history project and come up with names using our already completed research to give those themes as a basis/guide. WITS Masters and PhD students will guide them to adhere to the criteria and on how to present their projects
- The 5 names put to the public through a USSD voting mechanism which was placed on various public platforms
- 3 names were shortlisted and put out to public vote and the results were as follows:
  - **VUSA** is the most voted for name with 185 votes out of the final 467 votes
  - **ITHEMBALETHU** second with 178 votes
  - **SAKHIWO** with 52 votes
- A council report will be done and presented for approval of the official name for Corridor 1.

#### Performance against IDP and City Scorecard

As an amendment to previous reports, post mid-year the JDA reports against the Institutional SDBIP KPIs as part of the SDBIP performance for “Number of kilometres of walkway and cycle lanes completed”

KPI	Institutional SDBIP (City Wide) 2015/16 Target	JDA Contribution to SDIP Target. 2015/16 Progress	
		Project	Km
<b>Number of kilometres of walkway and cycle lanes completed</b>	60km kilometres of walkway and cycle lanes completed	Westbury NMT Phase 2	3.2
		Westbury Pedestrian Bridge	0.5
		Phase 1C Sandton CBD Loop	7.26
		Inner City Core Projects (Plein Street; Wolmarans; Goldreich)	5
		Nancefield Station Precinct	3
		Jabulani TOD Node	
		Rotunda Park Precinct Phase 1	0.5
		Diepsloot Development Ngonyama Road Upgrade Phase 2	0.5
		Phase 1C Section 15 (Phase 2) – Sidewalks	16
		Phase 1C Great Walk Section 15H Phase 1	8
		Park Station to Doornfontein Cycle Lanes	4
		Lakeview and Klipspruit Valley NMT Strategies Phase1	8.08
		Lakeview and Klipspruit Valley NMT Strategies	7.7

KPI	Institutional SDBIP (City Wide) 2015/16 Target	JDA Contribution to SDIP Target. 2015/16 Progress	
		Project	Km
		Phase 2	
		Hillbrow to Park Station NMT	5.5
		UJ to Langlaagte NMT	4
		Phase 1C Section 8C (Alex to Sandton)	4
		<b>Total</b>	<b>77.24km</b>

## Section 7: Assessment of Arrears on municipal taxes and service charges

### Directors' and employees' declarations of interest

In accordance with its code of conduct, which is consistent with schedule 1 of the Municipal Systems Act and the provisions of the CoJ Corporate Governance Protocol for Municipal Entities, the JDA maintains a register of directors' declarations of interests. The register is updated annually and as and when each director's interests have changed. The JDA ensures that a conflicts of interest register is also circulated at every Board and Board committee meeting for the directors to declare any interests in relation to any matter that is to be discussed at a particular meeting.

All JDA employees are required to fill in declarations of interest covering shareholding in private companies, membership of close corporations, directorships held, partnerships and joint ventures, remunerative employment outside of the JDA, gifts and hospitality and the status of their municipal accounts. The employees' declaration of interests was undertaken in 2015/16.

#### Assessment of municipal taxes and service charges owed to the JDA

Detail	0–30 days	31–60 days	61–90 days	91–180 days	>181	Total
Not applicable	-	-	-			

This is not applicable to the JDA as it does not levy municipal taxes and service charges.

#### Amounts owed by the JDA for service charges

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

#### Assessment of directors' and senior managers' municipal accounts

Name	Designation	Name of municipality	Municipal account name/number	Status as at June 2015	Comments
T Mendrew	Chief executive officer	City of Johannesburg	Holly Land (Pty) Ltd 201030171	Nil	Account paid up
Z Mafata	Chief finance officer	City of Johannesburg	206944274	Nil	Account paid up
D. Cohen	Executive manager: strategy and planning	City of Johannesburg	550412216	Nil	Account paid up

Name	Designation	Name of municipality	Municipal account name/number	Status as at June 2015	Comments
B Magoso	Executive manager Corporate Services	No Account	N/A	N/A	N/A
R Shirinda	Company secretary	Ekurhuleni Municipality	1706238428	Nil	Account paid up
C Botes	Executive manager: development facilitation	City of Johannesburg	552623847	Nil	Account paid up
Z. Tshabalala	Chief Audit Executive (Appointed 01 December 2015)	City of Tshwane	5002180543	Nil	Account paid up
L Visagie	Senior Development Manager (Resigned 30 June 2016)	City of Johannesburg	303385695	Nil	Account paid up
S. Genu	Senior Development Manager	City of Johannesburg	550117725	Nil	Account paid up
A Noholoza	Senior Development Manager (Resigned 01 November 2015)	City of Johannesburg	202734808	Nil	Account paid up
C Coovadia	Non-executive director	City of Johannesburg	400864220	Nil	Account paid up
N Selamolela	Non-Executive Director	No Account	N/A	N/A	N/A
P Masilo	Non-executive director	Ekurhuleni Municipality	2603356925	Nil	Account paid up
P Mashiane	Non-executive director	Ekurhuleni Municipality	2603272804	Nil	Account paid up
W Thwala	Non-executive director	Ekurhuleni Municipality and Mogale City	800156046, 1705254316, 1705290930, 008000356027018	Nil	Accounts all paid up
E Harvey	Non-executive director	City of Johannesburg	550857751	Nil	Account paid up
K Govender	Non-executive director	City of Johannesburg	551971094	Nil	Account paid up
N Maila	Non-executive director (Resigned 15 March 2016)	City of Johannesburg	552687488	R628	R628 outstanding
P Zagaretos	Non-executive director	City Of Johannesburg	403253685	Nil	Account paid up
B Kelly	Non-executive director (Resigned January 2016)	City of Johannesburg	00134198	Nil	Account paid up
M Dolamo	Non-executive director	City of Johannesburg	553668287	Nil	Account paid up

## Section 8: Statement on amounts owed by Government Departments and Public Entities

This measures effective debtor management and an assessment of the amounts owing by the various Government departments and entities.

Name of department	Amounts owed			
	Current 30 days	30 days	60 days	>60 days
	R' 000	R' 000	R' 000	R' 000
City of Johannesburg - CAM & USDG	60 984	15 889	0	0
City of Johannesburg - Department of transportation	332 409	114 375	8 145	20 468
City of Johannesburg - Department of planning	161 936	4 516	0	0

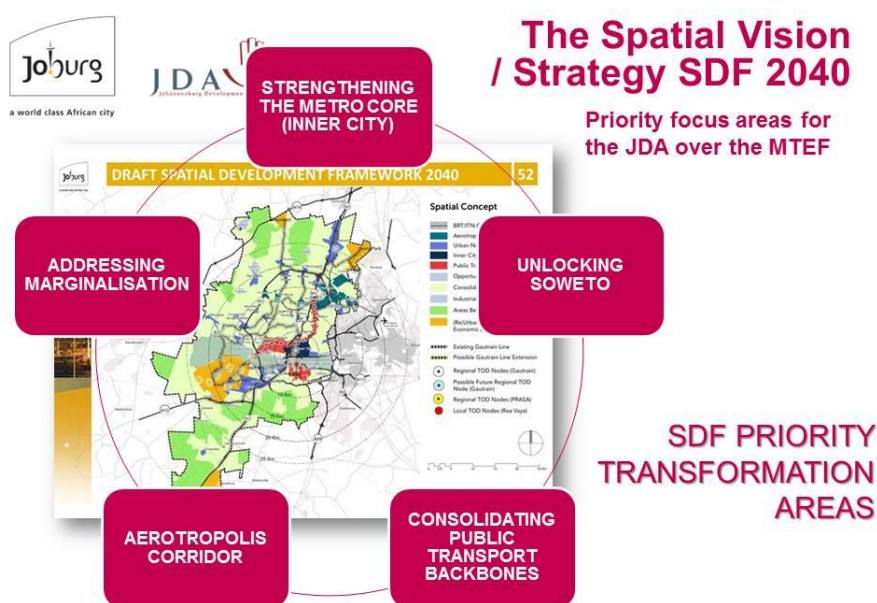
Name of department	Amounts owed			
	Current 30 days	30 days	60 days	>60 days
	<i>R' 000</i>	<i>R' 000</i>	<i>R' 000</i>	<i>R' 000</i>
City of Johannesburg - Housing	8 500	1 950	8 754	0
City of Johannesburg - Department of Health	34 030	0	137	3 488
City of Johannesburg - Com Dev	10 700	170	23	1 221
City of Johannesburg - Other departments	41 886	0	0	29 235
<b>Total</b>	<b>650 445</b>	<b>136 899</b>	<b>17 059</b>	<b>54 412</b>

## Section 9: Recommendations and Plans for 2016/17

It is incumbent upon the shareholder to ensure that the JDA is well positioned, structured and capacitated (effectively, efficiently and economically) to respond to the Joburg 2040 GDS ideals of resilience, liveability and sustainability, to ensure that the JDA:

- Aligns to the City's spatial transformational priority areas
- Is able to deliver on development against planned works targets.
- Manages capital spending of an estimated budget of R1.75 billion.
- Retains a strategic focus on co-production and to manage expectations and perceptions of all stakeholder groups throughout

The JDA's 2016/17 plans are a spatial response to specific Priority Transformation Areas as outlined in the 2015/16 review of the City of Johannesburg's Spatial Development Framework (SDF), which replaced the 2010/11 version.



**Table 7 SDF Priority Transformation Areas and Corresponding JDA Development Regions**

SDF Priority Transformation areas	Corresponding JDA Regional Focus	Percentage of JDA 2016/17 Budget
Strengthening the metro core	Inner City and the Old South (including Turffontein and Mining Belt)	23%
Unlocking Soweto	Greater Soweto (including Lenasia, Eldos, Nancefield)	17%
Consolidating public transport backbone	The Corridors of Freedom: Empire-Perth Corridor and Louis-Botha Corridor	40%
OR Tambo Corridor	Alex and the OR Tambo Corridor (includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)	15%
Addressing marginalisation	Marginalised Areas – Diepsloot, Ivory Park, Orange farm	2%
	Other	3%

The JDA will coordinate area-based development activities and other catalytic interventions on behalf and with the Department of Development Planning and with other client departments.

To ensure that the JDA is best positioned to respond to the Joburg 2040 GDS ideals of resilience, liveability and sustainability, the agency aims to co-ordinates and manage its activities through six Substantive programmes. This is a minor change from the 2015/16 approach. In addition, to ensure good governance of the organisation

through an Operational Focus programme tasked to support the optimal performance of the 6 substantive areas.

**Table 8: Summary of JDA Substantive Focus Areas**

JDA Programme	Corresponding JDA Regional Focus
1: Inner city transformation	<ul style="list-style-type: none"> <li>Inner City and the Old South (including Turffontein and Mining Belt)</li> </ul>
2: TOD / Station Precinct development	<ul style="list-style-type: none"> <li>Inner City and the Old South (including Turffontein and Mining Belt)</li> <li>Greater Soweto, (including Lenasia, Eldos, Nancefield)</li> <li>Empire-Perth Corridor</li> <li>Louis-Botha Corridor</li> <li>Alexandra and the Aerotropolis Corridor (includes Randburg, Cosmo City, Modderfontein, Frankenwald)</li> </ul>
3: Priority Area Planning & Implementation	<ul style="list-style-type: none"> <li>Greater Soweto, (including Lenasia, Eldos, Nancefield)</li> <li>Alexandra and the Aerotropolis Corridor (includes Randburg, Cosmo City, Modderfontein, Frankenwald)</li> <li>Marginalised Areas – Diepsloot, Ivory Park, Orange farm</li> </ul>
4: Greenways	<ul style="list-style-type: none"> <li>Empire-Perth Corridor</li> <li>Louis-Botha Corridor</li> <li>Alexandra and the Aerotropolis Corridor (includes Randburg, Sandton, Cosmo City, Modderfontein, Frankenwald)</li> </ul>
5: Alexandra Renewal (ARP)	<ul style="list-style-type: none"> <li>Alexandra and the Aerotropolis Corridor (includes Randburg, Sandton Cosmo City, Modderfontein, Frankenwald)</li> </ul>
6. Economic Development	<ul style="list-style-type: none"> <li>All</li> </ul>

**Table 9: Summary of JDA Operational Programme**

JDA Programme	Programme Purpose
7: Good Governance, Management and Administration	This programme manages the governance, admin and operational functions and improves efficiency through Finance, Governance, Risk and Compliance, Supply Chain Management and IT.

The aim in 2016/17 is for the JDA to explore new methods of engaging with local stakeholder communities to better respond to the needs and lifestyles of city users in the 21<sup>st</sup> century. Conventional methods can be enhanced by the use of social media platforms, electronic communication and other more engaging and relevant forms of sharing knowledge and ideas between professional teams and local communities. While the JDA's Development Facilitation division is engaged in enhancing the way in which the institution engages communities in all its development areas, there is always room for improvement.

Strategic Focus	Strategic Objective	Communication & Stakeholder Management
Co-produce solutions	Support productive development partnerships and co-operation between all stakeholders in these areas.	<ul style="list-style-type: none"> <li>Co-producing solutions in partnership with local communities and stakeholders to meet local needs and mitigate challenges. This is as essential component of development intervention in cities. Globally, and particularly in South Africa, there is an entrenched tradition of creating urban development solutions for people, rather than with them.</li> <li>A more responsible and effective approach is to work with local stakeholders to produce solutions, drawing on their knowledge of the development context. This can cultivate a much more sustainable sense of ownership, civic pride and citizenship.</li> </ul>

The approach towards strategic performance outcome in the 2016/17 responds to five IDP priority programmes, with 17 KPI's and one day-to-day Programme, with 4 KPI's, and six outcome statements.

Priority 6: Financial Sustainability			
IDP programme	Key Performance Indicator	Target	Outcome Statement/s



Capital project management	1. % budget spent on city-wide infrastructure	95%	A financially viable, effective and well-governed development agency (MoE) that champions the delivery on the City's 2040 GDS Vision
Enhanced corporate governance, through 100% compliance with financial, risk and performance management guidelines	2. Clean audit opinion with a percentage of internal and AG audit findings of the previous financial year resolved	Clean Audit opinion	
Priority 4: Transforming sustainable human settlements			
IDP programme	Key Performance Indicator	Target	Outcome Statement/s
Improved Mobility	3. Number of kilometres of walkway and cycle lanes completed	40 km	Well planned, packaged and implemented projects that catalyse/contribute to the creation high-quality, sustainable urban environments in targeted areas over the MTEF
Compact, integrated and livable urban form and spaces	4. Number of detailed local area plans, detailed local area implementation plans, or area-based studies produced, reviewed or updated	8	
	5. Number of area-based or sector based partnerships formalised	5	Improved stakeholder and investor confidence results in increased co-investment and/or 3rd party investment and long-term property values
	6. Number of projects at concept design phase	15	Well planned, packaged and implemented projects that catalyse/contribute to the creation high-quality, sustainable urban environments in targeted areas over the MTEF
	7. Number of projects at detailed design phase	26	
	8. Number of contracts awarded	31	
	9. Number of projects at practical completion	34	Sustainable urban management entrenched through partnership-led models in targeted areas over the MTEF
	10. Number of Area Based Precinct Management business plans / frameworks developed	5	
	11. Number of Media Releases Marketing Projects	48	
		12. Number of area or project impact (case studies) or performance assessments completed	6
Priority 1and 2: Employment creation, investment attraction and retention; Informal Economy, SMME and Entrepreneurial support			
IDP programme	Key Performance Indicator	Target	Outcome Statement/s
City wide job creation programme - 250 000 jobs by 2016	13. Number of EPWP opportunities as created	7000	Job creation, SMME development and participation and economic transformation contribution accelerated through strategic and targeted procurement programmes
	14. Number of jobs created city-wide	500	
Enterprise Development	15. Percentage of SMME expenditure as a share of total expenditure	30%	
Priority 12: Good governance			
IDP programme	Key Performance Indicator	Target	Outcome Statement/s
To improve governance profile of the City	16. % of predetermined objectives achieved	85%	A financially viable, effective and well-governed development agency (MoE) that champions the delivery on the City's 2040 GDS Vision
To reduce the levels of corruption in the City	17. % delivery on reported cases of corruption	100%	
Day-to-day Programme			
IDP programme	Key Performance Indicator	Target	Outcome Statement/s
Other IDP or Day-to Day programmes	18. Percentage of BBBEE expenditure as a share of total expenditure	100%	Job creation, SMME development and participation and economic transformation contribution

			accelerated through strategic and targeted procurement programmes
	19. Percentage spend on JDA operating budget against approved operating budget	95%	A financially viable, effective and well-governed development agency (MoE) that champions the delivery on the City's 2040 GDS Vision
	20. Percentage implementation of the strategic risk management plan findings resolved	95%	
	21. Percentage implementation new ERP System (SAP)	95%	

## **CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT**

## Section 1: Human Resource Management

The JDA aims to be the employer of choice in its field. This is supported by the JDA's overall objective, as set out in its Employment Policy, to ensure that its employment practices and remuneration policies motivate and retain talented employees and create an attractive work environment. The JDA periodically reviews all its employment policies and practices in line with applicable prescripts to ensure that it remains relevant and practical for the changing world of work and is attractive to potential employees. The JDA remains a non-unionised work environment.

The staff structure comprising of 109 positions was approved in 2014/15 financial year. The structure includes:

- A Top Management and Executive Management Committee, comprising the Chief Executive Officer, the Chief Financial Officer, the Executive Manager: Development Implementation, the Executive Manager: Planning and Strategy, the Executive Manager: Development Facilitation, the Executive Manager: Marketing and Communications and the Executive Manager: Corporate Services.
- The Chief Audit Executive and the Company Secretary, who both report to the Board.
- Senior Management, comprising Senior Development Managers, the Finance Manager, the Monitoring and Evaluations Manager, the Risk and Compliance Manager, the Human Resources Manager, the Supply Chain and Contracts Manager, the Facilities Manager, the IT Manager, the Marketing Manager, the Stakeholder Relations Manager, the Communications Manager, Internal Audit Managers, the Budget Manager, the Planning Manager, the Legal Manager and the Executive Support Manager.
- Professional and Middle Management, comprising Development Managers, Accountants, Development Facilitation Managers, the Risk and Compliance Officer, the Procurement Officer, the Performance Management and Training Officer, the Employee Relations Officer, the Human Resources Officer and the Legal Officer.
- Skilled technical, academically qualified and junior management, comprising Assistant Development Managers, Coordinators, Personal Assistants, Accounts Payable Officers, IT Support Officers, the IT and Information Systems Administration Officer, the Fixed Asset Register Officer, Procurement Coordinator and the Messenger/Caretaker.
- Semi-skilled workers, comprising a Driver and a Receptionist.
- Unskilled workers, comprising housekeepers and cleaners.

The staff organogram has 109 based on approved positions, 87 is total number of JDA employees, this includes 12 employees are from Sandton office on the City of Johannesburg Payroll. There are 22 vacant positions (20 funded and 2 unfunded).

### Learnership Programme

There are three (3) learners in 2015/16. They are all based in the Internal Audit department. This programme provides an excellent opportunity for learners to acquire practical work experience in their field of expertise as well as all other areas of the JDA's operating environment.

### Employee Totals, Turnover and Vacancies

In 2015/16, the JDA's staff complement increased to 87 employees – its largest number of employees to date – as a result of the organisation's strategy to increase capacity to deliver on its expanded mandate and the rising capital budgets that have been allocated across the CoJ departments and entities. The JDA staff establishment is comprised of Top Management, Executive Management which forms part of EXCO, HOD's of various Departments, Development Managers, Officers allocated in various Departments, Management in various roles in various Departments, Project Coordinators in Development Implementation Department, Administrators in various Departments, housekeepers and General worker.

## Staff Establishment

Description	2015/16			
	Approved no. of posts	No. of employees	No. of vacancies	% of funded vacancies
Top management	1	1	0	0
Executive management	8	7	1	13
Senior management	22	17	5	23
Middle management	34	25	9	26
Skilled technical/junior management	31	25	6	19
Semi-skilled	4	3	1	25
Unskilled housekeepers/cleaners	6	6	0	0
Learners and temps	3	3	0	0
<b>Total</b>	<b>109</b>	<b>87</b>	<b>22</b>	<b>20</b>

## Turnover Rates from 2010/11 to 2015/16

Historically, between 2010/2011, 2011/2012 and 2012/2013, the JDA has experienced a low staff turnover and the highest being 16% in 2014/2015. Between 2013/2014 and 2015/2016 period the JDA experienced an upsurge in staff turnover which was as a result of resignation. Percentages of staff turnover are between 15% in 2013/2014 and 16% in 2014/2015 and with the lowest being 5% in 2012/2013 as shown in the table below.

Turnover rate			
Details	Total appointments at beginning of financial year	Terminations during financial year	Turnover rate
	No.	No.	%
2010/11	54	5	9
2011/12	50	5	10
2012/13	55	3	5
2013/14	61	9	15
2014/15	86	14	16
2015/16	87	12	14

## Injuries, Sickness and Suspensions

### Total Cost of Sick Leave (excluding injuries on duty)

The JDA has a system in place which administers all forms of statutory leave as provided in the Basic Conditions of Employment Act 75 of 1997. The table below is a reflection of sick leave analysis for the period under review across all occupational categories and cost implications thereof. A total of 75 employees in the table below are the current JDA employees in the payroll which excludes 12 employees from Sandton Office who resides in the COJ payroll and therefore their leave usage could not be verified.

Salary band	Total sick leave  Days	Proportion of sick leave without medical certificate  %	Employees using sick leave  No.	Total employees in post  No.	Average sick leave per employee  Days	Estimated cost  R 000
Top management	0	0	0	1	0	0
Executive management (including chief audit executive)	5	0	1	7	0.71	0
Senior management	34	0	9	15	2.26	120 964.05
Middle management	80	0	15	23	3.47	246 894.47
Skilled technical/junior management	113.5	0	18	21	5.40	105 417.23
Semi-skilled	8	0	1	2	4	4 533.09
Unskilled	46	0	6	6	7.66	18 262.63
<b>TOTAL</b>	<b>286.5</b>	<b>0</b>	<b>50</b>	<b>75</b>	<b>23.5</b>	<b>496 071.47</b>

No injuries at work or suspensions were reported during the period under review.

### Performance rewards

The JDA views performance management as a positive management strategy rather than a punitive process. This ensures that employees feel comfortable being part of the process.

The JDA uses a scorecard to evaluate its managers' performance. Individual performance indicators are linked to the JDA's objectives and the CoJ's integrated development plan scorecard. Objectives that reinforce the culture of governance and risk management among managers are also included.

The JDA rolled out the performance management agreements and scorecard to all employees during 2015/16. As part of the coaching and mentorship process, underperforming officials are receiving training to improve their performance.

Despite the JDA's increasing budget allocation and portfolio, which has put strain on employees' performance, almost 92 per cent of the budget was spent during 2015/16. The JDA will continue to implement measures to improve its operational effectiveness in 2016/17.

The JDA's stakeholders are key to its success and it will continue to focus on the wellbeing of its customers and society at large. In this regard, the JDA continuously sets new service delivery standards, which are supported by the customer relationship programme.

## Section 2: Employment Equity

The JDA is committed to the principles of equity, non-discrimination and diversity enshrined in the Constitution and the Employment Equity Act (1998) as amended. It aims to employ a diverse staff complement which is of a geographical representation of our society and create equal employment opportunities to all.

The JDA's Employment Equity Policy and Plan aims to advance and protect previously disadvantaged individuals by providing opportunities for career advancement, growth, training and development. The Executive Committee and Human Resources and Remuneration Committee provide regular input into the organisation's employment equity, practices strategies direction and initiatives.

The Employment Equity Plan was developed to promote an environment and culture that supports open communication, where everyone is encouraged to express their views without fear of being victimised, and to ensure fair and consistent application and implementation of all employment practices and procedures. Structures and resources have been put in place to coordinate and monitor employment equity implementation across the organisation. The JDA undertakes an annual review of its employment equity processes and general employment practices to inform the implementation of the Employment Equity Plan. The JDA plans its annual employment equity targets in terms of its Employment Equity Policy and reports to the Department of Labour in accordance with the provisions of the Employment Equity Act and within legislated timeframes.

## Employment equity demographics status as at 30 June 2016

### Occupational levels

Occupational levels											Total
	Male				Female				Foreign nationals		
	A	C	I	W	A	C	I	W	Male	Female	
Top Management	1	0	0	0	0	0	0	0	0	0	1
Executive Management	3	0	0	2	3	0	0	0	0	0	8
Senior Management	3	2	1	2	6	0	2	0	0	0	16
Professionally qualified and experienced specialists and mid-management	13	0	0	2	7	2	1	2	0	0	27
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	5	0	1	0	14	1	2	1	0	0	24
Semi-skilled and discretionary decision making	1	0	0	0	2	0	0	0	0	0	3
Unskilled and defined decision making	1	0	0	0	5	0	0	0	0	0	6
TOTAL PERMANENT	27	2	2	6	37	3	5	3	0	0	85
Temporary Employees	2	0	0	0	0	0	0	0	0	0	2
GRAND TOTAL	29	2	2	6	37	3	5	3	0	0	87

### Movements

Staff movements	African		Coloured		Indian		White		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Appointments	3	6					1		10
Resignations	7	2	1	1					11
Dismissals									
Retirements									
Absenteeism									
Termination/other		1							1
<b>TOTAL</b>	<b>10</b>	<b>9</b>		<b>1</b>			<b>1</b>		<b>22</b>

The JDA exceeded all of its employment equity targets in 2015/16:

- 90 per cent of its employees are black (target: 80 per cent).
- 55 per cent of its staff members are female (target: 45 per cent).
- 13 per cent of its employees who are black women are in management positions and
- 6 per cent serve on the Executive Committee (target: 35 per cent).



- People with disabilities currently constitute 2% of the JDA workforce and are thus equitably represented.

## Section 3: Skills Development and Training

The JDA is committed to staff training and development, ensuring professional delivery and a competitive edge. It aims to provide an integrated learning experience to its employees that will strengthen their commitment to the organisation's values, enhance leadership capability and improve the JDA's capacity to meet current and future business requirements.

The JDA's Learning Strategy is based on four pillars:

- Understanding the educational requirements of the organisation, based on competency assessments and pivotal training.
- Best practice learning design.
- Timely and appropriate learning delivery.
- Assessment of the impact of learning interventions on overall company performance.

The JDA has created a culture of both on-the-job and off-the-job learning, which is embraced by all employees. Training is an ongoing process of improving employees' knowledge, skills and attitude to enhance job performance, create opportunities for growth and advance careers.

The JDA funds appropriate training and development programmes that are practical and outcomes-based. It also supports employees who wish to attain further qualifications to improve their productivity.

A budget of R1 million has been allocated for training and development for the 2015/2016 financial year. The actual expenditure for 2015/16 financial year is R979 579 (98%) of the total annual budget. The JDA supports the attainment of further educational qualifications by employees in order to improve their productivity. All training interventions were provided as part and parcel of the approved individual learning plans.

## Section 4: Performance Management

The JDA views performance management as an integral part of the JDA's business strategy which ensure that employees deliver on the agreed scorecard and excellent performers are rewarded accordingly.

The JDA uses a scorecard to evaluate employee performance. Individual performance indicators are linked to the JDA's objectives and the CoJ's integrated development plan scorecard. Objectives that reinforce the culture of governance and risk management among managers are also included.

As part of continuous employee development, coaching, mentorship and training interventions are implemented to assist employee to perform to the required performance standard.

Despite the JDA's increasing budget allocation and portfolio, which has put strain on employees' performance, the JDA will continue to implement measures to improve its operational effectiveness in 2016/17.

## Section 5: Employee Wellness

The JDA is committed to maintaining a healthy workforce and providing a safe and hygienic working environment. The JDA's Employee Assistance Programme, which is outsourced to Right to Care Health Services, offers behavioural risk management, free trauma counselling and free legal and financial advice for all employees. Right to Care provides a confidential, 24-hour personal support and information service, which employees, as well as their partners and immediate family, may access through a toll-free number for assistance with health, financial, legal and other issues.

During 2014/15, 82 per cent of employees used the service, which indicates that they realise the value of the services provided.

The JDA receives statistical information on the issues discussed to enable it to identify and implement solutions to the particular issues raised. The identities of the employees who use this service remain strictly confidential.

The JDA supports the health of its employees by holding wellness days twice a year, in June and in December. Employees can have their basic health assessed and receive feedback and guidance on corrective measures and counselling.

### **HIV/AIDS in the Workplace**

The JDA's HIV/AIDS Policy is aligned with the CoJ's policy and its HIV/AIDS coordinator attends the CoJ HIV and AIDS Committee meetings. The policy ensures that no employee is discriminated against based on their HIV status. All employees must respect the confidentiality of information regarding existing or potential employees with life-threatening illnesses. Any employee who divulges information without the employee's knowledge or consent will be disciplined under the disciplinary code. The JDA reserves the right to request medical advice or intervention in instances where an employee's illness adversely affects performance, or where an employee claims that he/she cannot work in certain situations due to illness. All employees are encouraged to know their HIV status and to remain healthy if they are living with HIV.

The HIV/AIDS Programme runs awareness and educational campaigns, provides free condoms, shares videos and offers free helplines. The programme ensures that employees with HIV/AIDS are treated in a fair, consistent manner and are informed about their rights and employee benefits.

In the period under review, Right to Care circulated weekly and monthly e-mails and newsletters about HIV/AIDS, including prevention strategies, to all JDA staff. Voluntary counselling and testing was provided in December 2015 and June 2016 during the JDA's biannual wellness day.

### **Employee Benefits**

The JDA participates in two retirement benefit schemes: eJoburg Retirement Fund and City of Johannesburg Pension Fund. All staff are required to be members of the eJoburg Retirement Fund. In 2015/16, the JDA contributed R4.3 million to this fund and R61 519.25 (one staff member) to the City of Johannesburg Pension Fund. JDA contributed an amount of R 637 759.00 to Group Life Cover.

## **CHAPTER 5: FINANCIAL PERFORMANCE**



These annual financial statements were prepared by:  
Sherylee Moonsamy

Auditor-General of South Africa  
Chartered Accountants (S.A.)  
Registered Auditors

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## General Information

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<b>COUNTRY OF INCORPORATION AND DOMICILE</b>	South Africa
<b>NATURE OF BUSINESS AND PRINCIPAL ACTIVITIES</b>	Regenerating the City of Johannesburg through facilitating and/or investing in development projects.
<b>DIRECTORS</b>	C Coovadia (Chairperson) T Mendrew (Chief Executive Officer) Z Mafata (Chief Financial Officer) K Govender E Harvey P Mashiane P Masilo T Mukhuba N Selamolela W Thwala P Zagaretos
<b>REGISTERED OFFICE</b>	The Bus Factory 3 Helen Joseph Street Newtown Johannesburg 2000
<b>BUSINESS ADDRESS</b>	The Bus Factory 3 Helen Joseph Street Newtown Johannesburg 2000
<b>POSTAL ADDRESS</b>	P O Box 61877 Marshalltown Johannesburg 2001
<b>CONTROLLING ENTITY</b>	The City of Johannesburg Metropolitan Municipality incorporated in South Africa
<b>BANKERS</b>	Standard Bank of South Africa Limited
<b>AUDITORS</b>	Auditor-General of South Africa Chartered Accountants (S.A.) Registered Auditors
<b>SECRETARY</b>	R Shirinda
<b>COMPANY REGISTRATION NUMBER</b>	2001/005101/07

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Index

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The reports and statements set out below comprise the annual financial statements presented to the shareholder:

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## Abbreviations

COID	Compensation for Occupational Injuries and Diseases
CJMM	City of Johannesburg Metropolitan Municipality
GRAP	Generally Recognised Accounting Practice
IAS	International Accounting Standards
JDA	Johannesburg Development Agency (SOC) Ltd
BRT	Rea Vaya Bus Rapid Transport System
ME's	Municipal Entities
MFMA	Municipal Finance Management Act
MMC	Member of the Mayoral Committee
BAC	Bid Adjudication Committee

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Responsibilities and Approval

The directors are required by the Municipal Finance Management Act (Act 56 of 2003), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the JDA as at the end of the financial year and the results of its operations and cash flows for the period then ended. The external auditors are engaged to express an independent opinion on the annual financial statements and were given unrestricted access to all financial records and related data.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the JDA and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the directors set standards for internal controls aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the JDA and all employees are required to maintain the highest ethical standards in ensuring the JDA's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the JDA is on identifying, assessing, managing and monitoring all known forms of risk across the JDA. While operating risk cannot be fully eliminated, the JDA endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

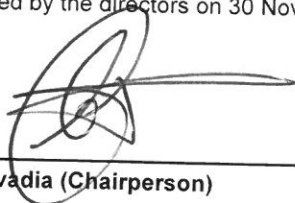
The directors have reviewed the JDA's cash flow forecast for the year to 30 June 2017 and, in the light of this review and the current financial position, they are satisfied that the JDA has or has access to adequate resources to continue in operational existence for the foreseeable future.

The JDA is wholly dependent on the CJMM for continued funding of operations. The annual financial statements are prepared on the basis that the JDA is a going concern and that the CJMM has neither the intention nor the need to liquidate or curtail materially the scale of the JDA.

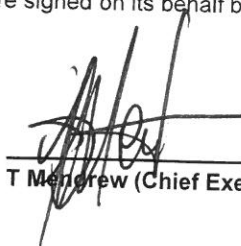
Although the directors are primarily responsible for the financial affairs of the JDA, they are supported by the JDA's internal auditors to independently appraise the appropriateness, adequacy and the efficiency of the internal control environment within the JDA.

The external auditors are responsible for independently reviewing and reporting on the JDA's annual financial statements. The annual financial statements have been examined by the JDA's external auditors and their report is presented on page 6.

The annual financial statements set out on pages 8 to 68, which have been prepared on the going concern basis, were approved by the directors on 30 November 2016 and were signed on its behalf by:



C Coovadia (Chairperson)



T Mengrew (Chief Executive Officer)

Newtown, Johannesburg

30 November 2016



# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Audit and Risk Committee Report

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We are pleased to present the Audit and Risk Committee Report of the JDA for the financial year ended 30 June 2016; which is in compliance with the Companies Act and the requirements of the MFMA. The Committee has been appointed and has adopted terms of reference that comply with the Companies Act, King III and MFMA (where applicable to the JDA). These terms have been approved by the JDA Board of Directors, copies of which are available from the Company Secretary on request.

### Audit and Risk Committee members and attendance

The Audit and Risk Committee consists of the members listed hereunder and should meet not less than 4 times per annum as per its approved terms of reference. During the current year 7 meetings were held.

<b>Name of member</b>	<b>Number of meetings attended</b>
Mr K Govender (Chairperson)	7/7
Ms N Selamolela	7/7
Dr T Mukhuba (Appointed 15 March 2016)	1/2
Mr Z Samsam (Independent Member)	6/7
Ms M Dolamo (Independent Member)	6/7
Ms K Onuoka (Independent Member) (Appointed 15 March 2016)	1/2
Ms B Kelly (Independent Member) (Resigned 28 February 2016)	3/4
Ms N Maila (Retired 15 March 2016)	4/5

### Audit and risk committee responsibility

The Audit and Risk Committee reports that it has complied with its responsibilities arising from section 166(2)(a) of the MFMA. The Audit and Risk Committee also reports that it has adopted appropriate formal terms of reference as its Audit and Risk Committee charter, has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein.

### The effectiveness of internal control

The system of internal controls applied by the entity over financial and risk management is effective, efficient and transparent. In line with the MFMA and the King III Report on Corporate Governance requirements, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate, adequate and effective. This is achieved by means of the risk management process, as well as the identification of corrective actions and suggested enhancements to the controls and processes. From the various reports of the Internal Auditors, the Audit Report on the annual financial statements, and the management report of the Auditor-General South Africa, it was noted that no matters were reported that indicate any material deficiencies in the system of internal control or any deviations therefrom. Accordingly, we can report that the system of internal control over financial reporting for the period under review was efficient and effective.

### Evaluation of the annual financial statements

The Audit and Risk committee has:

- reviewed and discussed the audited annual financial statements to be included in the annual report, with the Auditor-General and the directors;
- reviewed the Auditor-General of South Africa's management report and management's response thereto;
- reviewed changes in accounting policies and practices ;
- reviewed the entities compliance with legal and regulatory provisions;
- reviewed significant adjustments resulting from the audit; and considered appropriateness of accounting policies and any changes made.

The Audit and Risk Committee concurs with the Auditor-General of South Africa's report the annual financial statements, and are of the opinion that the audited annual financial statements fairly present the financial position of the JDA at the end of the financial year and the results of the operations and cashflows for the financial year.

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Audit and Risk Committee Report

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### Internal audit

The Audit and Risk committee is satisfied that the internal audit function is operating effectively and that it has addressed the risks pertinent to the entity and its audits. The Audit and Risk Committee has;

- Approved the annual internal audit plan and programme;
- Received and reviewed internal audit reports concerning the effectiveness and adequacy of the internal control environment, systems and processes;
- Reviewed the adequacy and appropriateness of management's corrective actions and implementation progress of such action plans; and
- Reviewed the internal audit function capacity and made recommendations.

### Risk management and compliance

The Audit and Risk Committee has:

- Reviewed the compliance framework and the risk management framework;
- Reviewed the JDA's strategic, operational, fraud and IT risks;
- Determined the levels of risk tolerance and risk appetite and monitoring that risks are managed within the pre-determination levels; and
- Reviewed and monitored the risk management processes and ensured that management implements appropriate risk management mitigation strategies.



K Govender  
(Chairperson of the Audit and Risk Committee)

Date: \_\_\_\_\_



## Report of the Auditor General

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### TO THE PROVINCIAL LEGISLATURE OF JOHANNESBURG DEVELOPMENT AGENCY (SOC) LTD

#### Report on the financial statements

I have audited the accompanying annual financial statements of the Johannesburg Development Agency (SOC) Ltd which comprise the statement of financial position as at 30 June 2016, statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes, and the [directors' / accounting officer's / accounting authority's] report, as set out on pages 8 to 68.

#### Responsibility of the directors for the annual financial statements

The directors is responsible for the preparation and fair presentation of these annual financial statements in accordance with [the applicable reporting framework/basis of accounting] [and in the manner required by the [Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA)] [Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA)] [Auditor-General audit circular 1 of 2005] , and in the manner required by the Companies Act of South Africa [any applicable enabling legislation]. This responsibility includes:

- designing, implementing and maintaining internal control relevant to the preparation and fair presentation of annual financial statements that are free from material misstatement, whether due to fraud or error;
- selecting and applying appropriate accounting policies; and
- making accounting estimates that are reasonable in the circumstances.

#### Responsibility of the Auditor-General

As required by [section 188 of the Constitution of the Republic of South Africa, 1996 read with section 4 of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA)] [and section XX of any applicable legislation], my responsibility is to express an opinion on these annual financial statements based on my audit.

I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the annual financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the annual financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the:

- appropriateness of accounting policies used;
- reasonableness of accounting estimates made by management; and
- overall presentation of the financial statements.

Paragraph 11 et seq. of the Statement of Generally Recognised Accounting Practice, GRAP 1 Presentation of Financial Statements requires that financial reporting by entities shall provide information on whether resources were obtained and used in accordance with the legally adopted budget. As the budget reporting standard is still in the process of being developed, I have determined that my audit of any disclosures made by [name of entity] in this respect will be limited to reporting on non-compliance with this disclosure requirement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

# Report of the Auditor General

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## Opinion

In my opinion the annual financial statements present fairly, in all material respects, the financial position of Johannesburg Development Agency (SOC) Ltd as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with [the applicable reporting framework/basis of accounting] [and in the manner required by the PFMA/MFMA (if the entity falls within the scope of the PFMA/MFMA) and Companies Act, 1973 (if the entity falls within the scope of the Companies Act) or section xx of the entity's enabling legislation (if the entity does not fall within the scope of the PFMA/MFMA)].

**Auditor-General of South Africa  
Registered Auditors**

**30 November 2016**

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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The directors submit their report for the year ended 30 June 2016.

### 1. INCORPORATION

The entity was incorporated in terms of the Companies Act 61 of 1973 on 07 March 2001 and obtained its certificate to commence business on the same day. The entity is a state-owned company as defined in the Companies Act No. 71 of 2008.

### 2. REVIEW OF ACTIVITIES

#### Main business and operations

The company is a Municipal Entity as contemplated in Local Government: Municipal Systems Act 32 of 2000. The principal objective of the company is to initiate, stimulate and support development projects that rejuvenate economic activity throughout the Johannesburg Metropolitan area. Its activities and interventions are directed at the urban and economic regeneration through large and small scale, multi-faceted capital infrastructure developments to achieve a spatially restructured city which promotes liveability, economic growth and an efficient and competitive, multi-use environments.

As an agency of the CJMM, the JDA obtains its mandate from the CJMM, acting through the Executive Mayor and Council. Acting through its Board of Directors, it is accountable to the Member of Mayoral Committee for Development Planning, who exercises political oversight and to whom the JDA undertakes service delivery and compliance reporting in respect of its scorecard. As an agency, JDA interacts closely with the CJMM's various departments and municipal entities in respect of their functional interests in development activities. The JDA operates in accordance with the Growth and Development Strategy principles of its parent municipality. Its overall functions are guided by the CJMM's existing plans, and spatial and economic frameworks.

The service delivery mandate is articulated in the Service Delivery Agreement (SDA) with the CJMM which serves as a shareholder compact with its parent municipality.

JDA manages its resources judiciously, adhering to the prescripts of its Supply Chain Management policies. To that end, the JDA follows best practice, balancing the need to support suppliers and ensure their continued survival and sustainability while simultaneously ensuring timeous delivery and execution of its activities, ensuring value for money is received.

Net surplus of the entity for the financial year is R2 753 601 (2015: surplus R16 286 296).

There has been a significant decrease in the net surplus of the entity as compared to the 2014/15 financial year. The major variance related to the under expenditure of the 2014/15 operating budget that had contributed to the overall surplus. Only 84% of the operating budget was spent in the 2014/15 financial compared to 95% spent in the 2015/16 financial year. In the current year, although the expenditure had increased, the overall expenditure was within the overall approved budget.

#### Alexandra Renewal Programme

The Alexandra Renewal Programme (ARP) was integrated into the JDA with effect from 1 July 2014, in line with the Mayoral Committee resolution. Human resources and related matters were attended to in preparation for the integration. A transfer agreement to effect the transfer of the ARP from the City's department of Development Planning to the JDA was drafted in 2014. The Transfer Agreement is in the process of being finalised. The budget for all operational costs related to the ARP was transferred to the JDA. No assets or liabilities were transferred.

#### Fraud Hotline

As part of its endeavours to curb fraud and corruption in its activities, the entity maintains an anti-corruption Anonymous Tip-off Hotline which is managed by the City of Johannesburg Metropolitan Municipality. The JDA encourages all its stakeholders to use the Hotline to report incidents of fraud, corruption and maladministration. For the period under review the JDA received one tip-off from members of the public. The detail of the one case is as follows:

#### 2016

An allegation was made to the fraud hotline regarding the awarding of a tender for one of the JDA's projects to a bidder with issues of historic poor performance. The matter is still under investigation.

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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### **2015**

The first case was reported to the Office of the MMC Development Planning and brought to the attention of the JDA on the 26<sup>th</sup> January 2015. This case relates to a group of people who purport to be JDA officials and who solicited bribes and in exchange they guarantee service providers a winning bid. The matter was reported to the Commercial Crimes Unit and is currently being investigated.

The second case was reported to the Chief Audit Executive on the 24<sup>th</sup> March 2015 by a whistle-blower who is a member of the public and relates to a possible conflict of interest relating to a JDA official who works Alexandra Renewal Program department. The conflict of interest relates to a JDA official who is alleged to be doing business with the Gauteng Provincial Government. The preliminary investigation has been concluded and report has been forwarded to the JDA CEO with recommendations. Charges are currently being formulated so that a disciplinary process can be undertaken.

### **3. GOING CONCERN**

The JDA is dependent on the CJMM to fund its operations as it earns revenue from management fees from CJMM's capital projects.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The ability of the JDA to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to receive funding for the ongoing operations for the entity from its controlling entity, the CJMM.

### **4. EVENTS AFTER THE REPORTING DATE**

After eleven years of service to JDA seven of which were as CFO, the CFO of the JDA resigned from the organisation on 6 October 2016. Her last working day will be on 30 November 2016.

Other than the above, the accounting officer is not aware of any matter or event arising since the end of the reporting period and the date of this report, which will significantly affect the financial position and the results of the entity's operations.

### **5. CONTINGENT LIABILITIES**

The JDA is involved in several legal proceedings. The outcome of these legal proceedings cannot as yet be determined. Details of contingent liabilities are disclosed in note 31.

Included in the contingencies is the matter regarding the Grayston Pedestrian Bridge scaffolding collapse. On 14 October 2015 the scaffolding work into the Grayston Drive Pedestrian and Cyclist structural bridge collapsed which resulted in the loss of life and other damages.

Due to the nature of the incident, the Department of Labour (DOL) has to conduct a formal inquiry in terms of section 32 of the Occupational Health and Safety Act 85 of 1993 to determine the causes for the collapse of the scaffolding works.

The inquiry commenced on 7 July 2015 and will be finalised in April 2017 when a report will be with the Commissioner appointed by the DOL.

### **6. FRUITLESS AND WASTEFUL EXPENDITURE**

The organisation had incurred interest and penalties in the current year that is disclosed as fruitless and wasteful expenditure. Details of the fruitless and wasteful expenditure incurred in the prior year is disclosed in Note 38.

### **7. IRREGULAR EXPENDITURE**

No irregular expenditure was incurred. Details of the irregular expenditure incurred in the prior year is disclosed in Note 39.

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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### 8. ACCOUNTING POLICIES

The annual financial statements prepared in accordance with the prescribed Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury.

### 9. CONTRIBUTION FROM SHAREHOLDER

There were no changes in the authorised or issued share capital of the entity during the year under review.

An operating subsidy was provided to the company by the shareholder during the year and except for this, no other contributions was received during the year.

### 10. DIRECTORS' PERSONAL FINANCIAL INTERESTS

All Directors have made the declarations of their business interest and signed their annual declarations of interests. No director is involved in any undertaking or entity which is in direct competition or whose activities are in conflict with the interests of the company. No director of the company declared any personal financial interest in any contracts considered and entered into by the company during the period under review.

### 11. DIRECTORS

The directors of the entity during the year and to the date of this report are as follows:

Name	Nationality	Changes
C Coovadia (Chairperson)	South African	
T Mendrew (Chief Executive Officer)	South African	
Z Mafata (Chief Financial Officer)	South African	
K Govender	South African	
E Harvey	South African	
N Maila	South African	Resigned 15 March 2016
P Mashiane	South African	
P Masilo	South African	
T Mukhuba	South African	Appointed 15 March 2016
N Selamolela	South African	
W Thwala	South African	
P Zagaretos	South African	

### 12. SECRETARY

The company secretary of the entity is Rodney Shirinda of:

Business address

The Bus Factory  
3 Helen Joseph street  
Newtown  
Johannesburg  
2000

Postal address

P O Box 61877  
Marshalltown  
Johannesburg  
2001



# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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### 13. CORPORATE GOVERNANCE

#### General

The Board of directors are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the directors supports the highest standards of corporate governance and the ongoing development of best practice.

The entity confirms and acknowledges its responsibility to total compliance with the Code of Corporate Practices and Conduct ("the Code") laid out in the King Report on Corporate Governance for South Africa. The directors discuss the responsibilities of management in this respect, at Board meetings and monitor the entity's compliance with the code, the Companies Act and MFMA on a quarterly basis.

The salient features of the entity's adoption of the Code is outlined below:

#### Board of directors

The Board:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising:
  - nine non-executive directors (2015: nine non-executive directors), all of whom are independent directors as defined in the Code. No director is a disqualified person in terms of Section 93F of the Municipal Systems Act; and
  - two executive directors (2015: two executive directors), the Chief Executive Officer and the Chief Financial Officer.
- has established a Board directorship training programme through the annual induction programme and attendance of applicable courses for directors with the Institute of Directors.

#### Board Chairperson and Chief Executive Officer

The Board Chairperson is a non-executive and independent director and is not in employment of the company, or its parent municipality (as defined by the Code and the Municipal Systems Act).

The roles of Chairperson and Chief Executive Officer are separate, with responsibilities divided between them, so that no individual has unfettered powers of discretion. The powers and duties of the Chief Executive Officer are properly delegated and are contained in a written delegation of duties document. Although functionally reporting to the Chief Executive Officer, the Chief Financial Officer is a full member of the Board and owes fiduciary duties to the entity and the entire Board in relation to the prudent financial management of the company.

#### HR and Remuneration Committee

The members of the HR and Remuneration Committee are Ms N Selamolela, Dr E Harvey, Mr P Masilo and Dr T Mukhuba. The Chairperson of the HR and Remuneration Committee is Ms N Selamolela who is a non-executive director. The HR and Remuneration Committee has met on six occasions during period under review to review matters necessary to fulfil their role. During the year under review the changes to the committee included the retirement of Ms N Maila and the appointment of Dr T Mukhuba.

The upper limits of the remuneration of the Chief Executive Officer, and the Chief Financial Officer, who are the only two executive directors of the entity, are determined by CJMM, and the directors will determine the remuneration within the above mentioned limits.

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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### Development and Investment Committee

The members of the Development and Investment Committee are: Mr P Masilo, Mr C Coovadia, Mr K Govender, Ms P Mashiane, Prof W Thwala, Mr P Zagaretos, Mr T Mendrew and Ms Z Mafata. The Chairperson of the Development and Investment Committee is Mr P Zagaretos, who is a non-executive director. The Development and Investment Committee met on five occasions during period under review to review matters necessary to fulfill its role. During the year under review the changes in the committee included the appointment of Mr P Zagaretos as the chairperson of this committee.

### Audit and Risk Committee

The members of the Audit and Risk Committee are: Mr K Govender, Ms N Selamolela, Ms M Dolamo, Dr T Mukhuba, Ms K Onuoka and Mr Z Samsam. The Chairperson of the Audit and Risk committee is Mr K Govender, who is a non-executive director. The committee has three independent members i.e: Ms K Onuoka, Ms M Dolamo and Mr Z Samsam. The Audit Committee has met on seven occasions during period under review to review matters necessary to fulfill its role including recommending the annual financial statements to the Board for approval. The Chief Executive Officer and Chief Financial Officer are not members of the Audit and Risk Committee but have a standing invitation to attend meetings. During the current year under review the changes in the committee included the appointment of Dr T Mukhuba and Ms K Onuoka and the rotation of Ms N Maila and the resignation of Ms B Kelly.

### Social and Ethics Committee

The members of the Social and Ethics Committee are Ms P Mashiane, Mr P Masilo, Mr P Zagaretos, Dr E Harvey, Prof W Thwala, Mr Mendrew and Ms Z Mafata. The Chairperson of the Social and Ethics Committee is Ms P Mashiane who is a non-executive director. The Social and Ethics Committee met on three occasions during period under review to review matters necessary to fulfill their role. During the current year under review the changes in the committee included the appointment of Mr P Zagaretos.

## 14. CONTROLLING ENTITY

The JDA's controlling entity is The City of Johannesburg Metropolitan Municipality incorporated in South Africa.

## 15. SPECIAL RESOLUTIONS

None.

## 16. BANKERS

The management of the treasury function within the Company is managed under the auspices of the CJMM's Treasury department and Assets and Liabilities Committee. The current bankers are Standard Bank of South Africa Limited.

## 17. AUDITORS

Auditor-General of South Africa, Johannesburg will continue in office in accordance with the Public Audit Act No 25, section 92 of the MFMA and section 90 of the Companies Act.

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Directors' Report

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### 18. INTERNAL AUDIT

The entity has established an internal audit function which is headed by a Chief Audit Executive. This is as per Circular 65 of the MFMA.

### 19. FUNDS HELD BY THE CITY

During the 2008/2009 financial year, the JDA held money in the Attorney's Trust account for the purchase of land for road widening for the BRT. At the end of the 2008/09 financial year, these funds were transferred to the CJMM and then subsequently transferred back into the JDA's sweeping account. The company has a sweeping arrangement with the CJMM whereby all cash is swept on a daily basis to the CJMM's bank account. During the current financial year, the balance of the funds were transferred to projects funds payable, as BRT land was identified in the current financial year and will be purchased in the following year.

	<b>BRT Land Acquisition</b>	<b>Northern Gateway BRT Troyeville</b>	<b>Bertrams Priority Block</b>	<b>Total</b>
Balance as at 01 July 2015	34 951 712	2 789 472	15 004 385	52 745 569
Movement during the year (BRT Land and related costs)	(25 571 118)	(2 789 472)	-	(28 360 590)
Transfer to Project Funds payable	(9 380 594)	-	(15 004 385)	(24 384 979)
	-	-	-	-

# **Johannesburg Development Agency (SOC) Ltd**

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## **Company Secretary's Certification**

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**Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act**

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



R Shirinda  
Company Secretary

Newtown, Johannesburg  
30 November 2016

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Position as at 30 June 2016

Figures in Rand	Note(s)	2016	2015
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and cash equivalents	3	638 330	6 160 261
Trade and other receivables from exchange transactions	4	873 681 388	877 216 326
		<b>874 319 718</b>	<b>883 376 587</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	5	8 496 462	5 900 083
Intangible assets	6	6 776 984	296 753
Deferred tax	7	1 908 668	1 391 954
		<b>17 182 114</b>	<b>7 588 790</b>
<b>Total Assets</b>		<b>891 501 832</b>	<b>890 965 377</b>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Loans from shareholders	8	141 042 337	123 254 021
Finance lease liability	9	573 034	-
Trade and other payables from exchange transactions	10	634 531 248	653 914 690
VAT payable	11	1 759 240	26 306 040
Provisions	12	3 282 653	3 207 417
Project funds payable	13	24 384 979	-
Bank overdraft	3	867	-
		<b>805 574 358</b>	<b>806 682 168</b>
<b>Non-Current Liabilities</b>			
Finance lease liability	9	483 510	-
Deferred tax	7	15 051 446	12 303 233
Project funds payable	13	-	4 341 058
		<b>15 534 956</b>	<b>16 644 291</b>
<b>Total Liabilities</b>		<b>821 109 314</b>	<b>823 326 459</b>
<b>Net Assets</b>		<b>70 392 518</b>	<b>67 638 918</b>
Contribution from shareholder	14	16 277 624	16 277 624
Accumulated surplus		54 114 894	51 361 294
<b>Total Net Assets</b>		<b>70 392 518</b>	<b>67 638 918</b>

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015
<b>Revenue</b>			
Rendering of services	15	70 740 593	69 796 690
Recovery of Diepsloot Sanitation Project	16	-	116 470
Tender fee income	16	1 190 392	1 173 473
Rental income	16	358 352	358 106
Sundry income	16	1 049 622	1 021 414
Interest received	17	35 817	65 629
Government grants and subsidies	18	22 382 000	26 739 000
Recovery of non-current and intangible assets expenditure	15	9 080 135	-
<b>Total revenue</b>		<b>104 836 911</b>	<b>99 270 782</b>
<b>Expenditure</b>			
Employee related costs	19	(61 754 144)	(47 040 364)
Administrative expenses	20	(2 183 911)	(607 568)
Depreciation and amortisation	21	(2 201 222)	(1 471 398)
Finance costs	22	(3 115 583)	(6 437 795)
Repairs and maintenance	23	(889 580)	(542 408)
General Expenses	24	(29 619 899)	(20 212 759)
<b>Total expenditure</b>		<b>(99 764 339)</b>	<b>(76 312 292)</b>
<b>Operating surplus</b>		<b>5 072 572</b>	<b>22 958 490</b>
Loss on disposal of assets	26	(87 471)	(90 713)
<b>Surplus before taxation</b>		<b>4 985 101</b>	<b>22 867 777</b>
Taxation	27	2 231 500	6 581 481
<b>Surplus for the year</b>		<b>2 753 601</b>	<b>16 286 296</b>

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Changes in Net Assets

Figures in Rand	Contribution from shareholder	Share premium	Total share capital	Accumulated surplus	Total net assets
<b>Balance at 01 July 2014</b>	<b>60</b>	<b>16 277 564</b>	<b>16 277 624</b>	<b>35 074 998</b>	<b>51 352 622</b>
Changes in net assets					
Surplus for the year	-	-	-	16 286 296	16 286 296
Total changes	-	-	-	16 286 296	16 286 296
<b>Balance at 01 July 2015</b>	<b>60</b>	<b>16 277 564</b>	<b>16 277 624</b>	<b>51 361 293</b>	<b>67 638 917</b>
Changes in net assets					
Surplus for the year	-	-	-	2 753 601	2 753 601
Total changes	-	-	-	2 753 601	2 753 601
<b>Balance at 30 June 2016</b>	<b>60</b>	<b>16 277 564</b>	<b>16 277 624</b>	<b>54 114 894</b>	<b>70 392 518</b>
Note(s)	14	14	14		



# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Cash Flow Statement

Figures in Rand	Note(s)	2016	2015
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Grants		22 382 000	26 739 000
Interest received		35 817	59 567
Other receipts incl. Tender fee income, rental income and sundry income		2 108 709	2 669 463
Cash receipts from CAPEX funding		1 668 489 489	1 329 775 952
		<u>1 693 016 015</u>	<u>1 359 243 982</u>
<b>Payments</b>			
Employee costs		(62 179 942)	(45 307 906)
Suppliers		(1 660 668 792)	(1 362 919 447)
Finance costs		(3 115 583)	(6 437 794)
		<u>(1 725 964 317)</u>	<u>(1 414 665 147)</u>
<b>Net cash flows from operating activities</b>	28	<b>(32 948 302)</b>	<b>(55 421 165)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(3 157 061)	(426 880)
Purchase of other intangible assets	6	(6 945 342)	(285 198)
<b>Net cash flows from investing activities</b>		<b>(10 102 403)</b>	<b>(712 078)</b>
<b>Cash flows from financing activities</b>			
Movement in project funds payable		20 043 921	(7 085 843)
Proceeds of shareholders loan		17 991 469	59 702 833
Finance lease payments		(507 483)	(222 428)
<b>Net cash flows from financing activities</b>		<b>37 527 907</b>	<b>52 394 562</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(5 522 798)</b>	<b>(3 738 681)</b>
Cash and cash equivalents at the beginning of the year		6 160 261	9 898 943
<b>Cash and cash equivalents at the end of the year</b>	3	<b>637 463</b>	<b>6 160 262</b>

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Statement of Financial Performance</b>						
<b>Revenue</b>						
<b>Revenue from exchange transactions</b>						
Rendering of services	74 559 000	5 234 000	<b>79 793 000</b>	70 740 593	<b>(9 052 407)</b>	44
Tender fee income	550 000	-	<b>550 000</b>	1 190 392	<b>640 392</b>	44
Rental income	190 000	-	<b>190 000</b>	358 352	<b>168 352</b>	
Sundry income	270 000	2 000 000	<b>2 270 000</b>	1 049 622	<b>(1 220 378)</b>	44
Interest received	1 065 000	(1 065 000)	-	35 817	<b>35 817</b>	
<b>Total revenue from exchange transactions</b>	<b>76 634 000</b>	<b>6 169 000</b>	<b>82 803 000</b>	<b>73 374 776</b>	<b>(9 428 224)</b>	
<b>Revenue from non-exchange transactions</b>						
<b>Transfer revenue</b>						
Government grants & subsidies	22 382 000	-	<b>22 382 000</b>	22 382 000	-	
Recovery of non-current and intangible assets expenditure	-	-	-	9 080 135	<b>9 080 135</b>	44
<b>Total revenue from non-exchange transactions</b>	<b>22 382 000</b>	-	<b>22 382 000</b>	<b>31 462 135</b>	<b>9 080 135</b>	
<b>Total revenue</b>	<b>99 016 000</b>	<b>6 169 000</b>	<b>105 185 000</b>	<b>104 836 911</b>	<b>(348 089)</b>	
<b>Expenditure</b>						
Employee related costs	(63 495 000)	-	<b>(63 495 000)</b>	(61 754 144)	<b>1 740 856</b>	44
Administration expenses	(229 179)	(2 800 000)	<b>(3 029 179)</b>	(2 183 911)	<b>845 268</b>	
Depreciation and amortisation	(1 315 372)	-	<b>(1 315 372)</b>	(2 201 222)	<b>(885 850)</b>	44
Finance costs	(3 298 000)	(3 000 000)	<b>(6 298 000)</b>	(3 115 583)	<b>3 182 417</b>	
Repairs and maintenance	(1 723 000)	-	<b>(1 723 000)</b>	(889 580)	<b>833 420</b>	
General expenses	(28 934 449)	(369 000)	<b>(29 303 449)</b>	(29 619 899)	<b>(316 450)</b>	44
<b>Total expenditure</b>	<b>(98 995 000)</b>	<b>(6 169 000)</b>	<b>(105 164 000)</b>	<b>(99 764 339)</b>	<b>5 399 661</b>	
<b>Operating surplus</b>	<b>21 000</b>	-	<b>21 000</b>	<b>5 072 572</b>	<b>5 051 572</b>	
Loss on disposal of assets	(21 000)	-	<b>(21 000)</b>	(87 471)	<b>(66 471)</b>	
<b>Surplus before taxation</b>	-	-	-	<b>4 985 101</b>	<b>4 985 101</b>	
Taxation	-	-	-	2 231 500	<b>2 231 500</b>	
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement</b>	-	-	-	<b>2 753 601</b>	<b>2 753 601</b>	

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
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Figures in Rand

### Statement of Financial Position

#### Assets

##### Current Assets

Trade and other receivables from exchange transactions	364 095 000	-	364 095 000	873 681 388	509 586 388	
Cash and cash equivalents	7 462 000	-	7 462 000	638 330	(6 823 670)	
	<b>371 557 000</b>	<b>-</b>	<b>371 557 000</b>	<b>874 319 718</b>	<b>502 762 718</b>	

##### Non-Current Assets

Property, plant and equipment	6 460 000	-	6 460 000	8 496 462	2 036 462	
Intangible assets	332 000	-	332 000	6 776 984	6 444 984	
Deferred tax	835 000	-	835 000	-	(835 000)	
	<b>7 627 000</b>	<b>-</b>	<b>7 627 000</b>	<b>15 273 446</b>	<b>7 646 446</b>	

#### Total Assets

<b>379 184 000</b>	<b>-</b>	<b>379 184 000</b>	<b>889 593 164</b>	<b>510 409 164</b>	
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#### Liabilities

##### Current Liabilities

Loans from shareholders	109 863 000	-	109 863 000	141 042 337	31 179 337	
Finance lease liability	-	-	-	573 034	573 034	
Trade and other payables from exchange transactions	200 227 376	-	200 227 376	634 531 248	434 303 872	
VAT payable	-	-	-	1 759 240	1 759 240	
Provisions	3 021 000	-	3 021 000	3 282 653	261 653	
Project funds payable	-	-	-	24 384 979	24 384 979	
Bank overdraft	-	-	-	867	867	
	<b>313 111 376</b>	<b>-</b>	<b>313 111 376</b>	<b>805 574 358</b>	<b>492 462 982</b>	

##### Non-Current Liabilities

Finance lease liability	3 699 000	-	3 699 000	483 510	(3 215 490)	
Deferred tax	12 000 000	-	12 000 000	13 142 778	1 142 778	
Project funds payable	3 000 000	-	3 000 000	-	(3 000 000)	
	<b>18 699 000</b>	<b>-</b>	<b>18 699 000</b>	<b>13 626 288</b>	<b>(5 072 712)</b>	

#### Total Liabilities

<b>331 810 376</b>	<b>-</b>	<b>331 810 376</b>	<b>819 200 646</b>	<b>487 390 270</b>	
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#### Net Assets

<b>47 373 624</b>	<b>-</b>	<b>47 373 624</b>	<b>70 392 518</b>	<b>23 018 894</b>	
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#### Net Assets

##### Net Assets Attributable to Owners of Controlling Entity

Contribution from shareholder	16 277 624	-	16 277 624	16 277 624	-	
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##### Reserves

Accumulated surplus	31 096 000	-	31 096 000	54 114 894	23 018 894	
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#### Total Net Assets

<b>47 373 624</b>	<b>-</b>	<b>47 373 624</b>	<b>70 392 518</b>	<b>23 018 894</b>	
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# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Statement of Comparison of Budget and Actual Amounts

Budget on Accrual Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
<b>Cash Flow Statement</b>						
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Grants	11 191 000	-	11 191 000	22 382 000	11 191 000	
Interest received	1 000 000	-	1 000 000	35 817	(964 183)	
CAPEX funding	365 075 000	-	365 075 000	1 668 489 489	1 303 414 489	
Other receipts	310 000	-	310 000	2 108 709	1 798 709	
	<b>377 576 000</b>	-	<b>377 576 000</b>	<b>1 693 016 015</b>	<b>1 315 440 015</b>	
<b>Payments</b>						
Employee costs & Supplier payments	(536 162 000)	-	(536 162 000)	(1 722 848 735)	(1 186 686 735)	
Finance costs	(1 648 000)	-	(1 648 000)	(3 115 583)	(1 467 583)	
	<b>(537 810 000)</b>	-	<b>(537 810 000)</b>	<b>(1 725 964 318)</b>	<b>(1 188 154 318)</b>	
<b>Net cash flows from operating activities</b>	<b>(160 234 000)</b>	-	<b>(160 234 000)</b>	<b>(32 948 303)</b>	<b>127 285 697</b>	
<b>Cash flows from investing activities</b>						
Purchase of property, plant and equipment	(4 500 000)	-	(4 500 000)	(3 157 061)	1 342 939	
Purchase of other intangible assets	-	-	-	(6 945 342)	(6 945 342)	
<b>Net cash flows from investing activities</b>	<b>(4 500 000)</b>	-	<b>(4 500 000)</b>	<b>(10 102 403)</b>	<b>(5 602 403)</b>	
<b>Cash flows from financing activities</b>						
Proceeds from shareholders loan	151 851 000	-	151 851 000	17 991 469	(133 859 531)	
Finance lease payments	-	-	-	(507 483)	(507 483)	
Movement in Project Funds Payable	(66 000)	-	(66 000)	20 043 921	20 109 921	
<b>Net cash flows from financing activities</b>	<b>151 785 000</b>	-	<b>151 785 000</b>	<b>37 527 907</b>	<b>(114 257 093)</b>	
Net increase/(decrease) in cash and cash equivalents	(12 949 000)	-	(12 949 000)	(5 522 799)	7 426 201	
Cash and cash equivalents at the beginning of the year	8 651 000	-	8 651 000	6 160 261	(2 490 739)	
<b>Cash and cash equivalents at the end of the year</b>	<b>(4 298 000)</b>	-	<b>(4 298 000)</b>	<b>637 462</b>	<b>4 935 462</b>	

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

A summary of the significant accounting policies, which have been consistently applied in the preparation of these annual financial statements, are disclosed below.

These accounting policies are consistent with the previous period.

#### 1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

#### 1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

##### a. Trade receivables and/or loans and receivables

The entity assesses its trade receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, management makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

##### b. Impairment testing

The recoverable amounts of individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions. It is reasonably possible that the assumption may change which may then impact our estimations and may then require a material adjustment to the carrying value of tangible assets and intangible assets.

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors, together with economic factors.

##### c. Performance bonus

Bonus provision was raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 12 - Provisions. The estimate includes all employees that were still in the JDA's employ as at year end and is based on the current year salary packages and the last approved performance scores (i.e. prior years performance bonus scores approved). These estimates are apportioned for all new employees and where no approved scores are available, an average of 8% was used.

# Johannesburg Development Agency (SOC) Ltd

(Registration number 2001/005101/07)

Annual Financial Statements for the year ended 30 June 2016

## Accounting Policies

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### 1.2 Significant judgements and sources of estimation uncertainty (continued)

#### d. Useful lives of property, plant and equipment and intangible assets

The entity's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and intangible assets. This estimate is based on an industry norm. Management will adjust the depreciation charge where useful lives are less than previously estimated useful lives.

#### e. Effective interest rate

The entity used the prime interest rate to discount future cash flows.

#### f. Allowance for impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

#### g. Relationship with majority shareholder and classification as principal

The JDA is an agency of the CJMM as a municipal entity. The JDA implements capital projects as part of the City's infrastructure programme. The CJMM makes capital budget available for these projects. The JDA contracts with suppliers and delivers these projects. The JDA pays suppliers, and then claims the capital expenditure against the budget from the CJMM. The CJMM then reimburses the JDA including a pre-determined rate of management fees, after the invoices have been submitted and scrutinised as correct.

Since the JDA does not capitalise any of these assets in its financial statements and CJMM recognises these as either Work-in-Progress or completed assets, i.e. as invoices are sent for reimbursement, the JDA is of the view that this revenue, which is received in arrears, cannot be classified as 'grant revenue'. Furthermore, CJMM does not recognise this as an expense paid to the JDA or grant. CJMM benefits totally from all implementation work done by the JDA, as at the completion of each project they add yet another asset to their register. The JDA bears all the contractual risk with the suppliers and regardless of any defaults in claims received from the controlling entity, the JDA will be liable to the suppliers for actual work performed. The only assets in the JDA's financials is a motor vehicle, computer equipment, furniture and fittings, office equipment and improvements to the office building. All these are paid from the operational funding and capitalised in the statement of financial position.

#### h. Project funds payable

##### **2015**

This represents funds received from CJMM and other funders. The funds are to be used for the identified projects. Although these amounts are payable on demand to CJMM and other funders, no agreement has been reached regarding the payment of these funds. Since these funds have been with the JDA for periods of more than a year, management has therefore made the judgement that these funds were classified as non-current liability as there was insignificant movement in these funds. Refer to note 13 for details.

##### **2016**

Funds held for the purchase of land was transferred to the project funds payable from the Funds Held by the City. BRT Land was identified in the current financial year and these will be purchased in the following year. The current year project funds payable was then classified as current liabilities as these funds will be utilised in the next twelve months. Refer to note 13 for details.

### 1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

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### 1.3 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located is also included in the cost of property, plant and equipment, where the entity is obligated to incur such expenditure, and where the obligation arises as a result of acquiring the asset or using it for purposes other than the supply of services.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

The useful lives of items of property, plant and equipment have been assessed as follows:

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Item	Depreciation method	Average useful life
Furniture and fixtures	Straight line	10-15
Motor vehicles	Straight line	8
Office equipment	Straight line	6-15
IT equipment	Straight line	5-15
Leasehold improvements	Straight line	20
Computer equipment - servers	Straight line	6-15
Leased assets - printers	Straight line	3

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

Reviewing the useful life of an asset on an annual basis does not require the entity to amend the previous estimate unless expectations differ from the previous estimate.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.



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### 1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised initially at cost when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Useful life
Licenses	1 year
Computer software, internally generated	8 years
Intangible assets under development	Nil years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

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### 1.4 Intangible assets (continued)

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

### 1.5 Financial instruments

#### Classification

The entity has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Cash and cash equivalents

Trade and other receivables from exchange transactions

#### Category

Financial asset measured at fair value

Financial asset measured at amortised cost

The entity has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

#### Class

Trade and other payables from exchange transactions

Loans to/(from) shareholder

Other financial liabilities

Finance lease liabilities

#### Category

Financial liability measured at amortised cost

Financial liability measured at amortised cost

Financial liability measured at amortised cost

Financial liability measured at amortised cost

#### Initial recognition

The entity recognises a financial asset or a financial liability in its statement of financial position when the entity becomes a party to the contractual provisions of the instrument.

The entity recognises financial assets using initial cost accounting.

#### Initial measurement of financial assets and financial liabilities

The entity measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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### 1.5 Financial instruments (continued)

#### **Subsequent measurement of financial assets and financial liabilities**

The entity measures all financial assets and financial liabilities after initial recognition using the following category:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost are subject to an impairment review.

#### **Impairment and uncollectibility of financial assets**

The entity assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed directly OR by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

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### 1.5 Financial instruments (continued)

#### Derecognition

##### Financial assets

The entity derecognises financial assets using the initial cost accounting.

The entity derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the entity transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the entity, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the entity :
  - derecognise the asset; and
  - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

##### Financial liabilities

The entity removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another entity by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

### 1.6 Tax

#### Current tax assets and liabilities

Current tax for current and prior periods is, to the extent unpaid, recognised as a liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

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### 1.6 Tax (continued)

#### Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for the carry forward of unused tax losses to the extent that it is probable that future taxable surplus will be available against which the unused tax losses can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

#### Tax expenses

Current and deferred taxes are recognised as income or an expense and included in surplus or deficit for the period, except to the extent that the tax arises from:

- a transaction or event which is recognised, in the same or a different period, to net assets; or
- a business combination.

Current tax and deferred taxes are charged or credited to net assets if the tax relates to items that are credited or charged, in the same or a different period, to net assets.

### 1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

#### Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

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### 1.7 Leases (continued)

#### Operating leases - lessor

Operating lease revenue is recognised as revenue on a straight-line basis over the lease term. The difference between the amounts recognised as revenue and contractual payments are recognised as an operating lease asset or liability.

Initial direct costs incurred in negotiating and arranging operating leases are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease revenue.

The aggregate cost of incentives is recognised as a reduction of rental revenue over the lease term on a straight-line basis.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Income for leases is disclosed under revenue in statement of financial performance.

### 1.8 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

#### Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The entity assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the entity estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

#### Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

#### Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the entity would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

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### 1.8 Impairment of non-cash-generating assets (continued)

#### Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

When the amount estimated for an impairment loss is greater than the carrying amount of the non-cash-generating asset to which it relates, the entity recognises a liability only to the extent that is a requirement in the Standards of GRAP.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

#### Reversal of an impairment loss

The entity assess at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the entity estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

Any reversal of an impairment loss of a revalued non-cash-generating asset is treated as a revaluation increase.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

### 1.9 Contribution from shareholder

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.



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### 1.10 Employee benefits

#### Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cellphones) for current employees.

When an employee has rendered service to the entity during a reporting period, the entity recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the entity recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The entity measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The entity recognise the expected cost of bonus, incentive and performance related payments when the entity has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the entity has no realistic alternative but to make the payments.

### 1.11 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating deficits.

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### 1.11 Provisions and contingencies (continued)

If an entity has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an entity:

- has a detailed formal plan for the restructuring, identifying at least:
  - the activity/operating unit or part of a activity/operating unit concerned;
  - the principal locations affected;
  - the location, function, and approximate number of employees who will be compensated for services being terminated;
  - the expenditures that will be undertaken; and
  - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the entity

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 31.

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

Loan commitment is a firm commitment to provide credit under pre-specified terms and conditions.

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### 1.12 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments, which is disclosed in note 30.

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

### 1.13 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the municipality receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

#### Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

#### Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by services performed to date as a percentage of total services to be performed.

#### Interest

Revenue arising from the use by others of entity assets yielding interest is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the entity, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

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### 1.14 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting entity.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

#### Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

#### Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

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### 1.14 Revenue from non-exchange transactions (continued)

#### Government grants

Government grants Government grants are recognised as revenue when:

- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity,
- the amount of the revenue can be measured reliably; and
- to the extent that there has been compliance with any restrictions associated with the grant.

The entity assesses the degree of certainty attached to the flow of future economic benefits or service potential on the basis of the available evidence. Certain grants payable by one level of government to another are subject to the availability of funds. Revenue from these grants is only recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the entity. An announcement at the beginning of a financial year that grants may be available for qualifying entities in accordance with an agreed programme may not be sufficient evidence of the probability of the flow. Revenue is then only recognised once evidence of the probability of the flow becomes available.

Restrictions on government grants may result in such revenue being recognised on a time proportion basis. Where there is no restriction on the period, such revenue is recognised on receipt.

When government remit grants on a re-imbursement basis, revenue, is recognised when the qualifying expense has been incurred and to the extent that any other restrictions have been complied with.

Capital grants are funds due from the CJMM for capital expenditure incurred on projects.

The monthly expenditure incurred for each project is accounted for as work in progress. The monthly equivalent of the work in progress is claimed from the CJMM.

#### Transfers

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

The entity recognises an asset in respect of transfers when the transferred resources meet the definition of an asset and satisfy the criteria for recognition as an asset.

Transferred assets are measured at their fair value as at the date of acquisition.

#### Debt forgiveness and assumption of liabilities

The entity recognise revenue in respect of debt forgiveness when the former debt no longer meets the definition of a liability or satisfies the criteria for recognition as a liability, provided that the debt forgiveness does not satisfy the definition of a contribution from owners.

Revenue arising from debt forgiveness is measured at the carrying amount of debt forgiven.

#### Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the entity and the fair value of the assets can be measured reliably.

#### Services in-kind

Services received in kind are recognised as revenue and as an asset as and when incurred.

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### 1.15 Related parties

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged.

Relationships between parents and subsidiaries shall be disclosed irrespective of whether there have been transactions between those related parties. An entity shall disclose the name of the entity's parent and, if different, the ultimate controlling party. If neither the entity's parent nor the ultimate controlling party produces financial statements available for public use, the name of the next most senior parent that does so shall also be disclosed.

The JDA is a subsidiary of the CJMM and as a result is classified as a municipal entity. The JDA has identified the controlling entity and all fellow controlled entities as related parties and all related party transactions and balances are disclosed accordingly.

Employees identified as key personnel are all employees on the executive management committee of the JDA. Details of transactions with these individuals are included in the employee costs note.

### 1.16 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds.

The JDA has a sweeping arrangement with CJMM Treasury Department thus interest incurred on the sweeping account is accounted for as a finance cost.

### 1.17 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

### 1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of a vote or a main division within a vote; and
- expenditure not in accordance with the purpose of a vote or, in the case of a main division, not in accordance with the purpose of the main division.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as income in the statement of financial performance.

Unauthorised expenditure that was incurred and identified during the current financial year and which was not condoned by the Council or the Board of Directors or the relevant authority must be recorded appropriately in the unauthorised expenditure register. If liability for the unauthorised expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The unauthorised expenditure register must also be updated accordingly. If the unauthorised expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the unauthorised expenditure register.

### 1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as income in the statement of financial performance.

Fruitless and wasteful expenditure excludes finance charges on the sweeping account and finance leases.

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### 1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy. Irregular expenditure excludes unauthorised expenditure. Irregular expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovered, it is subsequently accounted for as revenue in the Statement of Financial Performance.

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the CJMM, JDA Board of Directors or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

### 1.21 Accumulated Surplus

The accumulated surplus represents the net difference between the total assets and total liabilities of the municipality. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

### 1.22 Change in estimates and errors

The effect of a change in an accounting estimate shall be recognised prospectively by including it in profit or loss in; the  
-period of the change, if the change affects that period only, or  
-the period of the change and future periods, if the change affects both.

All material prior period errors are corrected retrospectively in the first set of financial statements authorised for issue after the discovery by management by;

- restating the comparative amounts for the prior period(s) presented in which the error occurred; or
- if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

However, if it is impracticable to determine the period-specific effects of an error on comparative information for one or more prior periods presented, the entity must restate the opening balances of assets, liabilities and equity for the earliest period for which retrospective restatement is practicable.

Further, if it is impracticable to determine the cumulative effect, the beginning of the current period, of an error on all prior periods, the entity must restate the comparative information to correct the error prospectively from the earliest date practicable.

### 1.23 Budget information

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

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### 1.23 Budget information (continued)

The approved budget covers the fiscal period from 2015/07/01 to 2016/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

### 1.24 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

### 1.25 Loan to/(from) shareholder

These include loans to and from the controlling municipality (City of Johannesburg Metropolitan Municipality) and are recognized initially at fair value plus direct transaction costs.

Loans to controlling municipality are classified as loans and receivables.

Loans from controlling municipality are classified as financial liabilities measured at amortised cost.

### 1.26 VAT Receivable/(Payable)

VAT is an indirect tax based on the consumption in the economy. Vendors act as the agent of the government in collecting the VAT charged on taxable transactions. SARS is a government agency which administers the VAT Act and ensures that the tax is collected and that the tax law is properly enforced.

The generally accepted essential characteristics of a VAT type transaction are as follows:

- The tax applies generally to transactions related to goods and services.
- It is proportional to the price charged for the goods and services.
- It is charged at each stage of the production and distribution process.
- The taxable person (vendor) may deduct the tax paid during the preceding stages ( i.e. the burden of the tax is on the final consumer)

VAT is only charged on taxable supplies made by a vendor. Taxable supplies include supplies for which VAT is charged at either the standard rate or zero rate, but does not include:

- salaries and wages;
- hobbies or any recreational pursuits (not conducted in the form of a business);
- exempt supplies (as defined in the VAT Act).

The South African VAT is destination based, which means that only the consumption of goods and services in South Africa is taxed. VAT is therefore paid on the supply of goods or services in South Africa as well as on the importation of goods into South Africa. VAT is currently levied at the standard rate of 14% on most supplies and importations, but there is a limited range of goods and services which are either exempt, or which are subject to tax at the zero rate (for example, exports are taxed at 0%). The importation of services is only subject to VAT where the importer is not a vendor, or where the services are imported for private, exempt or other non-taxable purposes. Certain imports of goods or services are exempt from VAT.



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### 1.26 VAT Receivable/(Payable) (continued)

VAT is recognised on the earlier of receipt of payment or invoice. The vendor reports to SARS at the end of every tax period on a VAT 201 return, where the input tax incurred for the tax period is offset against the output tax collected for the tax period and the balance is paid to SARS. It sometimes occurs that the result of the calculation for the tax period is a refund, instead of an amount payable to SARS. Refunds must be paid by SARS within 21 working days of receiving the correctly completed refund return, otherwise interest at the prescribed rate is payable by SARS to the vendor. However, interest is not paid if certain conditions are not met.

The JDA accounts for VAT in the invoice basis.

At the end of each month the amount owing to or from SARS is recognised as the net effect of output tax earned and input tax incurred.

# Johannesburg Development Agency (SOC) Ltd

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### 2. NEW STANDARDS AND INTERPRETATIONS

#### 2.1 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2016 or later periods:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• GRAP 20: Related parties	01 April 2017	The impact of the amendment is not material.
• GRAP 17 (as amended 2015): Property, Plant and Equipment	01 April 2016	The impact of the amendment is not material.
• GRAP 109: Accounting by Principals and Agents	01 April 2017	The impact of the amendment is not material.
• GRAP 21 (as amended 2015): Impairment of non-cash-generating assets	01 April 2017	The impact of the amendment is not material.
• GRAP 26 (as amended 2015): Impairment of cash-generating assets	01 April 2017	The impact of the amendment is not material.
• Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities	01 April 2018	The impact of the amendment is not material.

### 3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of:

Cash on hand	1 196	3 448
Alexandra Heritage Project Funds	-	6 156 813
Standard Bank - Sweeping account	637 134	-
Alexandra Heritage Project funds - overdrawn balance	(867)	-
	<b>637 463</b>	<b>6 160 261</b>
Current assets	638 330	6 160 261
Current liabilities	(867)	-
	<b>637 463</b>	<b>6 160 261</b>

Cash on hand consists of petty cash.

The funds held in the prior year for the Alexandra Heritage Project from the National Department of Tourism related to funds deposited into a separate bank account (Standard Bank) for exclusive use for this project. These funds were all utilised in the current year. However, after the funds were transferred which cleared out the account and additional bank charge was incurred of R867 which resulted in an overdrawn balance of R867.

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<b>4. TRADE AND OTHER RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
Deposits	55 000	55 000
Project Funds Receivable	14 395 540	-
Rental debtors	223 290	99 858
Prepaid expenses	81 175	32 342
Staff loans	110 375	-
Related party debtors	858 816 008	877 029 126
	<b>873 681 388</b>	<b>877 216 326</b>

Deposits paid relate to a utility deposit that is held by City Power for the Bus Factory electricity account.

Projects funds receivable relate to funds owing from the National Department of Tourism for the Alexandra Heritage Centre. The initial SLA indicated that payments will be effected based on different stages of the project. However, due to delays in the finalisation of the Business Plans at the National Department of Tourism, only part of the total value has been received. The balance included in the Project Funds Receivable related to capital expenditure that was incurred in the current year.

Rental debtors consist of the rental outstanding from the Bus Factory tenants.

Prepaid expenses relates to computer network costs that was paid in advance.

Related party debtors relate to funds owed by the CJMM and other municipal entities for expenditure incurred on capital projects.

Staff loans relate to staff development costs that were incurred on behalf of an employee that subsequently resigned.

### Trade and other receivables pledged as security

No trade and other receivables were pledged as security for the period under review.

### Trade and other receivables past due but not impaired

Trade and other receivables are considered individually for impairment. At 30 June 2016, R 77 692 529 (2015: R 97 931 705) were past due because the debtor is the CJMM and the possibility of default is remote.

The ageing of amounts past due but not impaired is as follows:

+3 months past due	77 692 529	97 931 705
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### 5. PROPERTY, PLANT AND EQUIPMENT

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and fixtures	2 440 061	(1 282 856)	1 157 205	2 179 399	(1 086 166)	1 093 233
Motor vehicles	136 013	(136 013)	-	136 013	(132 124)	3 889
Office equipment	371 153	(100 533)	270 620	242 980	(66 962)	176 018
Computer Equipment	3 429 716	(1 610 111)	1 819 605	1 637 113	(901 443)	735 670
Leasehold improvements	5 489 305	(1 927 303)	3 562 002	5 177 883	(1 652 871)	3 525 012
Computer Equipment - Servers	1 446 455	(650 949)	795 506	876 927	(510 666)	366 261
Leased assets	1 262 900	(371 376)	891 524	63 629	(63 629)	-
<b>Total</b>	<b>14 575 603</b>	<b>(6 079 141)</b>	<b>8 496 462</b>	<b>10 313 944</b>	<b>(4 413 861)</b>	<b>5 900 083</b>

#### Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 093 233	260 828	-	(196 856)	1 157 205
Motor vehicles	3 889	-	-	(3 889)	-
Office equipment	176 018	128 105	-	(33 503)	270 620
Computer Equipment	735 670	1 887 179	(87 471)	(715 773)	1 819 605
Leasehold improvements	3 525 012	311 422	-	(274 432)	3 562 002
Computer Equipment - Servers	366 261	569 527	-	(140 282)	795 506
Leased assets	-	1 262 900	-	(371 376)	891 524
	<b>5 900 083</b>	<b>4 419 961</b>	<b>(87 471)</b>	<b>(1 736 111)</b>	<b>8 496 462</b>

#### Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture and fixtures	1 126 772	136 055	-	(169 594)	1 093 233
Motor vehicles	5 834	-	-	(1 945)	3 889
Office equipment	198 137	1 099	-	(23 218)	176 018
Computer Equipment	891 638	268 341	(81 372)	(342 937)	735 670
Leasehold improvements	3 778 582	-	-	(253 570)	3 525 012
Computer Equipment - Servers	461 909	21 385	(490)	(116 543)	366 261
Leased assets	157 109	-	(8 849)	(148 260)	-
	<b>6 619 981</b>	<b>426 880</b>	<b>(90 711)</b>	<b>(1 056 067)</b>	<b>5 900 083</b>

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### 5. PROPERTY, PLANT AND EQUIPMENT (continued)

#### Pledged as security

None of the above property, plant and equipment have been pledged as security.

#### Assets subject to finance lease (Net carrying amount)

Leasehold improvements	3 562 002	3 525 012
Printers and copiers	891 524	-
	<b>4 453 526</b>	<b>3 525 012</b>

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the entity.

Included in the above property, plant and equipment is a motor vehicle that is fully depreciated at year end. During the reassessment of useful lives the motor vehicle useful life was still assessed at 8 years with the intention of replacing the motor vehicle in the 2016/17 financial year.

### 6. INTANGIBLE ASSETS

	2016			2015		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Licenses	285 197	(241 561)	43 636	285 198	(190 132)	95 066
Computer software, internally generated	1 819 266	(1 387 954)	431 312	1 183 922	(982 235)	201 687
Computer software, other	1 022 268	-	1 022 268	-	-	-
Intangible assets under development	5 279 768	-	5 279 768	-	-	-
<b>Total</b>	<b>8 406 499</b>	<b>(1 629 515)</b>	<b>6 776 984</b>	<b>1 469 120</b>	<b>(1 172 367)</b>	<b>296 753</b>

#### Reconciliation of intangible assets - 2016

	Opening balance	Additions	Amortisation	Total
Licenses	95 066	285 216	(336 646)	43 636
Computer software, internally generated	201 687	358 090	(128 465)	431 312
Computer software - other	-	1 022 268	-	1 022 268
Intangible assets under development	-	5 279 768	-	5 279 768
	<b>296 753</b>	<b>6 945 342</b>	<b>(465 111)</b>	<b>6 776 984</b>

#### Reconciliation of intangible assets - 2015

	Opening balance	Additions	Amortisation	Total
Licenses	95 066	285 198	(285 198)	95 066
Computer software, internally generated	331 821	-	(130 134)	201 687
	<b>426 887</b>	<b>285 198</b>	<b>(415 332)</b>	<b>296 753</b>

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<b>6. INTANGIBLE ASSETS (continued)</b>		
<b>Other information</b>		
Intangible assets under construction SAP Phase 1	5 279 768	-
The JDA is currently on phase 1 of the SAP computer software implementation. Phase 1 includes project systems being project implementation and supply chain management. The system will go live in the first quarter of the 2016/17 financial year.		
Computer software - other	1 022 268	-
Other computer software purchased during the year related to a General Risk Control software for Risk Management, Internal Audit and Compliance.		
<b>7. DEFERRED TAX</b>		
<b>Deferred tax liability</b>		
Property, plant and equipment	(1 803 892)	(1 546 465)
Temporary difference - S24C Allowance	(13 247 554)	(10 756 768)
<b>Total deferred tax liability</b>	<b>(15 051 446)</b>	<b>(12 303 233)</b>
<b>Deferred tax asset</b>		
Provisions	1 612 836	1 391 954
Leases	295 832	-
Deferred tax balance from temporary differences other than unused tax losses	1 908 668	1 391 954
<b>Total deferred tax asset</b>	<b>1 908 668</b>	<b>1 391 954</b>
Deferred tax liability	(15 051 446)	(12 303 233)
Deferred tax asset	1 908 668	1 391 954
<b>Total net deferred tax liability</b>	<b>(13 142 778)</b>	<b>(10 911 279)</b>
<b>Reconciliation of deferred tax asset \ (liability)</b>		
At beginning of year	(10 911 279)	(4 329 798)
Originating differences on tangible fixed assets	(257 428)	124 354
Originating differences on the S24C allowance	(2 490 785)	(6 819 721)
Originating differences arising from leases	295 832	(58 119)
Originating differences arising from provisions	220 882	172 005
	<b>(13 142 778)</b>	<b>(10 911 279)</b>

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### 8. LOANS FROM SHAREHOLDERS

Sweeping account	(141 042 337)	(70 508 452)
City of Johannesburg Metropolitan Municipality - BRT Land and Bertrams Priority	-	(52 745 569)
Block Acquisition Fund		
	<b>(141 042 337)</b>	<b>(123 254 021)</b>

The company has a sweeping arrangement with the CJMM whereby all cash is swept on a daily basis to the CJMM's bank account. Interest is paid and earned on this account at the CJMM Treasury rate.

During the 2008/2009 financial year, the JDA held money in the Attorney's Trust account for the purchase of land for road widening for the BRT. At the end of the 2008/09 financial year, these funds were transferred to the CJMM and then subsequently transferred back into the JDA's sweeping account. The company has a sweeping arrangement with the CJMM whereby all cash is swept on a daily basis to the CJMM's bank account. During the current financial year, the balance of the funds was transferred to projects funds payable, as BRT land was identified in the current financial year and will be purchased in the 2016/17 financial year.

### 9. FINANCE LEASE LIABILITY

#### Minimum lease payments due

- within one year	573 034	-
- in second to fifth year inclusive	638 584	-
	<b>1 211 618</b>	-
less: future finance charges	(155 074)	-
<b>Present value of minimum lease payments</b>	<b>1 056 544</b>	-

#### Finance lease payable

Opening balance	-	207 554
Lease obligation current year	1 564 027	14 874
Lease payments	(507 483)	(222 428)
	<b>1 056 544</b>	-
Non-current liabilities	483 510	-
Current liabilities	573 034	-
	<b>1 056 544</b>	-

The JDA has leased 20 printer machines from Dalitso Business Equipment (Pty) Ltd and 2 printer machines from Konica Minolta (Pty) Ltd for a period of 3 years. The lease agreement provides for monthly payments of R47,753 in advance and no residual value.

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### 10. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS

Trade payables	493 283 151	547 055 105
Deposits received from tenants	44 835	44 835
Accrued leave pay	2 476 474	1 763 848
Accrued expenses	1 301 741	2 867 483
Retentions held on construction contracts	126 700 504	95 355 630
Retentions owing to related parties	6 252 718	6 252 718
Related parties payables	4 471 825	575 071
	<b>634 531 248</b>	<b>653 914 690</b>

Accrued expenses relates to expenditure that was incurred but no invoices was received as yet.

Deposits received from tenants represents deposits held on the initial rental agreements with the Bus Factory tenants.

Accrued leave pay relates to days owed to staff members at the reporting date calculated based on the daily pay rate.

Related party payables relate to funds owed to the CJMM and other entities for expenditure incurred and services rendered by the CJMM and other municipal entities.

Trade payables relate to suppliers payable for work done in the normal course of business. The JDA continues to strive to pay its trade payables within 30 days. However, based on the nature of the implementation of capital projects, the bulk of the expenditure is incurred during the last quarter of the financial year with recognition of these trade payables at year end. This results in a higher than normal trade payables balance at year end and is not necessarily a consistent balance throughout the year.

### 11. VAT PAYABLE

VAT payable	1 759 240	26 306 040
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### 12. PROVISIONS

#### Reconciliation of provisions - 2016

	Opening Balance	Additions	Utilised during the year	Total
Provision - Performance bonus	3 207 417	2 146 327	(2 071 091)	3 282 653

#### Reconciliation of provisions - 2015

	Opening Balance	Additions	Utilised during the year	Total
Provision - Performance bonus	3 020 869	2 522 805	(2 336 257)	3 207 417

The performance management system is designed to ensure that the JDA's business strategy is translated into measurable key performance areas and indicators for employees. At the beginning of each financial year each employee concludes a performance management contract with a scorecard. Although the performance review in respect of the 2015/16 financial year will be completed during August 2016, bonus payments to qualifying employees will only be made after the finalisation of the 2015/16 audit and upon receipt of a unqualified audit report from the Auditor General. In December 2015, a bonus payment was made in relation to the 2014/15 year for all qualifying employees excluding Executive and Senior Managers.



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### 13. PROJECT FUNDS PAYABLE

#### Projects Funds

Balance at the beginning of the year	4 341 058	11 426 901
Claims for the year	1 505 411 734	1 470 291 725
Expenditure for the year	(1 485 367 813)	(1 477 377 568)
	<b>24 384 979</b>	<b>4 341 058</b>

#### Funds Payable

Johannesburg Water	-	1 558 673
Non-BRT Transportation	-	2 782 385
BRT Land funds held by the city transfer	24 384 979	-
	<b>24 384 979</b>	<b>4 341 058</b>

The project funds payable relates to funding that was previously received in advance from CJMM for the implementation of projects. The remaining balances represent the projects that were either implemented below the original estimated costs or recoveries that were received after the completion of the projects.

BRT Land transfer relates to land funds that were previously held in attorney trust accounts and was transferred based on BRT land that was identified in the current year and will be purchased in the following financial year. These costs include the purchase of the land and other related costs.

### 14. CONTRIBUTION FROM SHAREHOLDER

#### Authorised

100 Ordinary Type A shares of R1 each	100	100
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#### Issued

60 Ordinary Type A shares of R1	60	60
Share premium	16 277 564	16 277 564
	<b>16 277 624</b>	<b>16 277 624</b>

All issued shares are fully paid up by CJMM. CJMM paid a share premium for these shares. The initial amount was issued in 2002 and was R3,489,664. The balance of this amount was paid to the JDA in 2003.

### 15. REVENUE

Rendering of services	70 740 593	69 796 690
Recovery of Diepsloot Sanitation Project	-	116 470
Tender fee income	1 190 392	1 173 473
Rental income	358 352	358 106
Sundry Income	1 049 622	1 021 414
Interest received	35 817	65 629
Government grants & subsidies	22 382 000	26 739 000
Recovery of non-current and intangible assets expenditure	9 080 135	-
	<b>104 836 911</b>	<b>99 270 782</b>

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### 15. REVENUE (continued)

The amount included in revenue arising from exchanges of goods or services are as follows:

Rendering of services	70 740 593	69 796 690
Recovery of Diepsloot Sanitation Project	-	116 470
Tender fee income	1 190 392	1 173 473
Rental income	358 352	358 106
Sundry income	1 049 622	1 021 414
Interest received	35 817	65 629
	<b>73 374 776</b>	<b>72 531 782</b>

The amount included in revenue arising from non-exchange transactions is as follows:

#### Transfer revenue

Government grants & subsidies	22 382 000	26 739 000
Recovery of non-current and intangible assets expenditure	9 080 135	-
	<b>31 462 135</b>	<b>26 739 000</b>

#### Rendering of Services

Management fees are earned through the rendering of services by the JDA on projects funded by the CJMM and other funders. The JDA's Service Level Agreement with the CJMM and with each of the other funders stipulates the percentage fee to be claimed by the JDA for actual capital expenditure spent. The capital expenditure incurred and the management fees earned are claimed from CJMM on a monthly basis.

#### Recovery of non-current and intangible assets expenditure

Included in the current year approved capital budgets is a budget for the purchase of operational assets. This was not included as a capital grant and was included to be reimbursed from CJMM. Included in this expenditure is the initial implementation of SAP ERP system and other fixed assets. This expenditure was incurred during the current year and claimed from the CJMM Capital Asset Management department.

### 16. OTHER REVENUE

Fees earned	-	116 470
Tender fee income	1 190 392	1 173 473
Rental income - Bus Factory	358 352	358 106
Sundry Income	1 049 622	1 021 414
	<b>2 598 366</b>	<b>2 669 463</b>

### 17. INTEREST RECEIVED

#### Interest revenue

Bank	-	58 972
Interest earned on VAT refunds	35 817	6 657
	<b>35 817</b>	<b>65 629</b>

### 18. GOVERNMENT GRANTS AND SUBSIDIES

#### Operating grants

Government grant (operating)	22 382 000	26 739 000
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### 19. EMPLOYEE RELATED COSTS

Basic	56 331 164	42 068 111
Bonus	2 427 405	2 611 743
UIF	281 752	272 132
COID	420 368	396 647
SDL	477 724	394 765
Other payroll levies	697 731	637 803
Leave pay accrual charge	1 118 000	659 163
	<b>61 754 144</b>	<b>47 040 364</b>

Included in the employee costs are non-executive director fees as shown in detail in note 29.

Included in the employee costs are the following key management positions:

Remuneration of executive managers	Earnings	Pension	Travel allowance	Total
T Mendrew (Chief Executive Officer)	1 703 610	-	-	1 703 610
Z Mafata (Chief Financial Officer)	1 407 953	-	-	1 407 953
B Mbewu (Chief Audit Executive) (Resigned 31 August 2015)	190 188	7 579	20 000	217 767
D Cohen (EM: Planning & Strategy)	1 078 037	52 554	-	1 130 591
B Magoso (EM: Corporate Services)	1 228 656	59 487	-	1 288 143
C Botes (EM: Development Facilitation)	988 468	-	30 000	1 018 468
Z Tshabalala (Chief Audit Executive) (Appointed 01 December 2015)	503 461	27 853	72 000	603 314
R Shirinda (Company Secretary)	1 228 197	46 290	-	1 274 487
A Noholoza (SDM: Portfolio A) (Resigned 01 November 2015)	878 759	16 324	-	895 083
L Visagie (SDM: Portfolio B) (Resigned 30 June 2016)	1 324 765	53 967	75 000	1 453 732
S Genu (SDM: Portfolio C)	1 205 491	48 973	-	1 254 464
	<b>11 737 585</b>	<b>313 027</b>	<b>197 000</b>	<b>12 247 612</b>

### 20. ADMINISTRATIVE EXPENDITURE

Administration expenses	2 183 911	607 568
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Administrative expenditure includes archiving costs and monthly fees paid to Ditlodi Community Co-operative liason officers.

### 21. DEPRECIATION AND AMORTISATION

Property, plant and equipment	1 736 111	1 056 067
Intangible assets	465 111	415 331
	<b>2 201 222</b>	<b>1 471 398</b>

### 22. FINANCE COSTS

Trade and other payables - Telkom	1	662
Sweeping account	-	6 419 276
The South African Revenue Service	2 991 261	-
Finance leases	124 321	17 857
	<b>3 115 583</b>	<b>6 437 795</b>

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### 23. REPAIRS AND MAINTENANCE

Repairs & Maintenance - Bus Factory	782 600	514 521
Repairs & Maint Office Equipment - IT	31 180	27 887
Repair and Maintenance Office Equipment	75 800	-
	<b>889 580</b>	<b>542 408</b>

### 24. GENERAL EXPENSES

Advertising	839 818	1 588 083
Auditors remuneration	1 736 379	1 700 619
Bank charges	22 178	25 958
CEO's Special Projects	9 910	15 000
Cellphone Expenses	504 301	367 029
Computer expenses	4 428 070	2 229 788
Consulting and professional fees	2 949 344	1 332 590
Development Facilitation Fees	3 370 168	682 991
Diepsloot Sanitation Project costs	-	116 470
Hygiene and other services	171 302	206 128
Insurance	555 730	662 593
Internal Audit Fees	651 262	1 490 843
Marketing	3 493 838	2 788 051
Meetings and Entertainment	307 165	219 391
Motor vehicle expenses	18 180	22 605
Placement fees	1 769 691	1 281 975
Planning and Strategy	1 668 607	523 508
Postage costs	149	-
Printing and stationery	839 712	929 008
Project Maintenance Costs	156 989	355 148
Security (Guarding of municipal property)	2 075 636	1 569 123
Space planning costs	255 850	-
Staff welfare	1 411 107	781 638
Telephone and fax	410 282	309 693
Training	979 579	604 793
Travel - local	227 370	60 527
Utilities	767 282	349 207
	<b>29 619 899</b>	<b>20 212 759</b>

### 25. AUDITORS' REMUNERATION

External audit fees	1 736 379	1 700 619
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### 26. LOSS ON DISPOSAL OF ASSETS

Loss on disposal of assets	87 471	90 713
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The loss on disposal of assets relates to assets that were written off. Included in the assets written off is five laptops that were stolen during the financial year as well as any assets that were obsolete or damaged.

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### 27. TAXATION

#### Major components of the tax expense

##### Deferred

Originating and reversing temporary differences	2 231 500	6 581 481
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#### Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.

Applicable tax rate	28,00 %	28,00 %
Tax effect on permanent differences	(0,53)%	0,11 %
Add: Tax effect of timing differences	17,29 %	0,13 %
	<b>44,76 %</b>	<b>28,24 %</b>

### 28. CASH USED IN OPERATIONS

Surplus	2 753 601	16 286 296
<b>Adjustments for:</b>		
Depreciation and amortisation	2 201 222	1 471 398
Loss on disposal of assets	87 471	90 713
Movements in provisions	75 236	186 549
Annual charge for deferred tax	2 231 500	6 581 481
Movement in expenditure - non-cash items	(26 343)	14 875
Interest from finance leases	124 321	-
<b>Changes in working capital:</b>		
Trade and other receivables from exchange transactions	3 534 938	(381 207 310)
Trade and other payables from exchange transactions	(19 383 448)	289 001 313
VAT	(24 546 800)	12 153 520
	<b>(32 948 302)</b>	<b>(55 421 165)</b>

### 29. DIRECTORS' EMOLUMENTS

#### Executive

##### 2016

	Emoluments	Bonuses	Total
T Mendrew (Chief Executive Officer)	1 703 610	-	1 703 610
Z Mafata (Chief Financial Officer)	1 407 953	-	1 407 953
	<b>3 111 563</b>	<b>-</b>	<b>3 111 563</b>

##### 2015

	Emoluments	Annual Bonus	Total
T Mendrew (Chief Executive Officer)	1 617 864	-	1 617 864
Z Mafata (Chief Financial Officer)	1 275 828	184 147	1 459 975
	<b>2 893 692</b>	<b>184 147</b>	<b>3 077 839</b>

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### 29. DIRECTORS' EMOLUMENTS (continued)

#### Non-executive

#### 2016

	Directors' fees	Retainer Fees	Total
C Coovadia (Chairperson)	127 778	45 626	173 404
K Govender	183 680	22 816	206 496
E Harvey	101 543	22 816	124 359
N Maila ( Retired 15 March 2016)	73 014	22 816	95 830
P Mashiane	86 710	22 816	109 526
P Masilo	94 706	22 816	117 522
T Mukhuba (Appointed 15 March 2016)	21 678	-	21 678
N Selamolela	128 919	22 816	151 735
W Thwala	102 736	22 816	125 552
P Zagaretos	78 680	22 816	101 496
M Dolamo (Independent Audit and Risk Committee Member)	20 088	22 816	42 904
B Kelly (Independent Audit and Risk Committee Member) (Resigned 28 February 2016)	17 112	22 816	39 928
K Onuoka (Independent Audit and Risk Committee Member) (Appointed 15 March 2016)	11 408	-	11 408
Z Samsam (Independent Audit and Risk Committee Member)	34 224	22 816	57 040
	<b>1 082 276</b>	<b>296 602</b>	<b>1 378 878</b>

#### 2015

	Directors' fees	Retainer fees	Total
C Coovadia (Chairperson)	141 564	39 675	181 239
J Vergotine (Independent Audit and Risk Committee Member) (Retired 03 February 2015)	24 800	19 840	44 640
K Govender	267 058	19 840	286 898
E Harvey	140 327	19 840	160 167
N Maila (Appointed 21 October 2014)	41 272	4 960	46 232
N Selamolela	100 650	19 840	120 490
W Thwala	122 572	19 840	142 412
M Dolamo (Independent Audit and Risk Committee Member)	17 112	-	17 112
B Kelly (Independent Audit and Risk Committee Member)	22 816	-	22 816
Z Samsam (Independent Audit and Risk Committee Member)	63 240	19 840	83 080
P Masilo	93 713	19 840	113 553
P Zagaretos (Appointed 21 October 2014)	61 270	4 960	66 230
P Mashiane	66 225	19 840	86 065
	<b>1 162 619</b>	<b>208 315</b>	<b>1 370 934</b>

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### 30. COMMITMENTS

#### Authorised capital expenditure

##### Approved and not yet contracted for

• Jabulani	17 000 000	18 500 000
• Kliptown Renewal Project	50 000 000	30 000 000
• Rotunda Park	25 330 000	15 000 000
• Westbury Renewal Precinct	15 000 000	11 200 000
• Alexandra Renewal Programme	48 300 000	69 800 000
• Westbury Pedestrian Bridge	-	10 000 000
• Balfour Park Transit	1 500 000	-
• Orlando East Station Precinct	10 000 000	25 000 000
• Nancefield Station Precinct	5 000 000	30 000 000
• Randburg Precinct Upgrade	7 500 000	30 000 000
• Auckland Park	100 000 000	45 000 000
• Louis Botha	10 000 000	-
• Perth Corridor	65 000 000	-
• Turffontein corridor	70 500 000	-
• Diepsloot Development	2 000 000	-
• Operational CAPEX	10 000 000	15 000 000
	<b>437 130 000</b>	<b>299 500 000</b>

##### Approved and contracted for

• Contractual costs committed for multi-year contracts	1 433 044 813	1 078 348 732
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##### Total capital commitments

Approved and not yet contracted for	437 130 000	299 500 000
Approved and contracted for	1 433 044 813	1 078 348 732
	<b>1 870 174 813</b>	<b>1 377 848 732</b>

The contractual costs committed arise from the related construction work as well as professional services which was contracted for but not yet incurred. This will be funded through capital budget allocations from various departments.

The approved and not yet contracted for commitments arise from the approved capital budget allocated to the JDA in the 2016/17 financial year.

#### The approved and contracted for commitments consist of the following:

##### Portfolio A:

Randburg Precinct	8 311 914	24 459 602
Hillbrow Tower Precinct	194 000	30 311 605
Inner City Core	1 240 976	13 761 368
Kaserne Redevelopment	228 594 840	1 991 229
Community Development Corridors of Freedom	32 896 840	12 956 919
Cosmo City Fire Station	13 169 062	2 667 943
Brixton Social Cluster	9 690 181	-
Inner City Commuter Links	127 952 922	7 569 715
IOC	-	10 008 906
Westgate Station Precinct	-	6 871 726
	<b>422 050 735</b>	<b>110 599 013</b>

##### Portfolio B:

Orchards Clinic _Corridors of Freedom	10 800 038	40 842 194
Noordgesig Clinic _Corridors of Freedom	5 897 196	660 964
Golden Harvest	1 091 526	1 442 949
Kliptown Development	24 827 667	3 933 646
Alexandra Heritage Centre	2 110 546	12 299 918

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<b>30. COMMITMENTS (continued)</b>		
Alex Marlboro Automotive	7 938 757	34 573 965
Westbury TDC	2 501 497	2 796 731
Langlaagte Pharmacy	22 118 791	1 051 979
Claremont Clinic	685 944	1 373 324
Parkhurst Clinic	1 604 766	1 494 766
Zandspruit Clinic	2 276 879	2 198 879
Florida Clinic	1 803 207	-
Nancefield TOD	30 182 244	22 307 897
Jabulani TOD	11 831 542	5 781 086
Noordgesig Social Cluster	4 508 381	-
Ebony Park Clinic	1 361 091	-
Orlando East TOD	22 600 000	23 809 585
Rotunda Park	7 298 433	11 476 187
Esselen Clinic	-	13 205 202
Westbury Clinic	-	15 996 161
Diepsloot	-	6 556 328
Sol Plaatjie	-	233 861
Bambanani Automotive	-	852 800
River Park Clinic	-	4 422 269
Ennerdale Clinic	-	5 190 562
	<b>161 438 505</b>	<b>212 501 253</b>
<b>Portfolio C:</b>		
Cycle Lanes_ Corridors of Freedom	3 650 723	2 557 322
Non-motorised Transport (NMT)	18 041 643	147 771 559
BRT Various	727 628 093	572 390 479
Community Development Libraries	20 723 974	3 984 874
Community Development Community Centres	22 602 244	8 037 697
	<b>792 646 677</b>	<b>734 741 931</b>
<b>Portfolio D:</b>		
Thoko Mngoma Clinic	8 579 741	1 127 724
4th Avenue Clinic	13 336 050	1 430 250
Old Ikage Housing Project	4 984 920	2 104 894
Jukskei River Rehabilitation	580 000	580 000
Open Spaces Development	2 522 758	199 487
Vincent Tshabalala Bridge	2 522 800	1 165 750
Linear Markets: Ivory Park/Alex	17 276 470	3 242 894
	<b>49 802 739</b>	<b>9 850 999</b>
<b>Other projects</b>		
Naming and branding_ Corridors of Freedom	1 356 489	6 640 750
Integrated Internet Services	2 172 181	2 561 881
Backup and Disaster Recovery	1 850 868	-
Supply of Hardware	273 714	-
Community liason services	1 452 905	1 452 906
	<b>5 749 668</b>	<b>4 014 787</b>
<b>Total Approved and Contracted</b>	<b>1 433 044 813</b>	<b>1 078 348 732</b>



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### 31. CONTINGENCIES

#### **Bertrams Priority Block**

The JDA has entered into legal proceedings regarding the relocation of illegal occupants in various buildings around the Bertrams Priority Block. Eviction proceedings have been instituted in the South Gauteng High Court. Negotiations are underway with illegal occupants to settle the matter out of court. Progress made since 2012 - Some of the illegal occupants have agreed to be reallocated to properties operated by the Johannesburg Social Housing Company. The few that would be left because of inability to meet monthly rental payments will be accommodated by the Department of Housing. Since this, no progress has been made in this matter due to ongoing negotiations for reallocations and the legal proceedings have been put in abeyance until alternate accommodation is found by the JDA and CJMM. The parties are working together to reach agreement without a protracted litigation processes.

#### **Ubuntu Kraal (Pty) Ltd vs JDA & CJMM**

The JDA has been served with summons for loss of income and damages to property by the operators of the establishment known as Ubuntu Kraal in Soweto, Johannesburg. The damages were alleged to have been caused by flooding due to the JDA activities in the construction of the Rea Vaya BRT infrastructure along Klipspruit Valley Road. The amount of damages claimed by the plaintiffs is R23.5 million. The matter is now being handled by CJMM insurer attorneys.

#### **Achusim Chijoike vs JDA and Skymark Security (Pty) Ltd**

The JDA was incorrectly cited as a party to the proceedings. The JDA disputed the matter and indicated to the Plaintiff that it was incorrectly cited as a party.

Despite follow up letters to the Plaintiff attorneys in this regard, there has been no activity in the matter since it was reported last year and the matter will accordingly be withdrawn from list of contingent liability matters. Estimated claim value - R35,300.

#### **BRT - Thembu Convenience Store**

The CJMM and the JDA were served with a summons by Tembu Convenience Centre CC, trading as a convenience store and Engen Fuel dealership, for loss of income estimated at R17.8 million as a result of BRT construction works. The City has filed its papers defending the matter in the South Gauteng High Court. The matter has still not been put on a trial roll and the plaintiffs have applied for a set-down. The matter was set down for trial on 02 March 2016. However the parties agreed to remove the matter from the roll in order to allow the defendants to amend their pleadings.

#### **Dark Fibre Africa vs JDA and Easyway Tarmac Pave and Projects CC**

The matter relates to the fibre optic cable that was damaged by opening a trench in the road reserve with a TLB Machine along the road carriage way of Orlando east, near Sefa Sonke street around 22 June 2013. The plaintiff, Dark Fibre Africa (Pty) Ltd is suing the JDA (2<sup>nd</sup> Defendant) on the basis that JDA used the services of Easyway Tarmac Pave and Projects CC to manage and control the execution of the water pipeline project and to do the drilling and excavation along the road carriage way of Orlando east near the intersection with sefa sonke street. The matter is being defended by the lawyers appointed by the JDA's insurers (AON). Estimated claim value - R45,256.

#### **Grayston Pedestrian Bridge scaffolding collapse**

On 14 October 2015 the scaffolding work into the Grayston Drive Pedestrian and Cyclist structural bridge collapsed which resulted in the loss of life and other damages.

Due to the nature of the incident, the Department of Labour (DOL) has to conduct a formal inquiry in terms of section 32 of the Occupational Health and Safety Act 85 of 1993 to determine the causes for the collapse of the scaffolding works.

The inquiry commenced on 7 July 2015 and will be finalised in April 2017 when a report will be with the Commissioner appointed by the DOL.

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### 32. RELATED PARTIES

Relationships	
Controlling entity	City of Johannesburg Metropolitan Municipality
Other members of the group	Johannesburg Social Housing Company (SOC) Ltd City of Johannesburg Property Company (SOC) Ltd City Power Johannesburg (SOC) Ltd Johannesburg City Parks and Zoo NPC Johannesburg Metropolitan Bus Services (SOC) Ltd Johannesburg Roads Agency (SOC) Ltd The Johannesburg Tourism Company NPC Johannesburg Water (SOC) Ltd Pikitup Johannesburg (SOC) Ltd Joburg City Theatres (SOC) Ltd The Johannesburg Fresh Produce Market (SOC) Ltd
Members of key management	Refer to note 19

#### Related party balances

##### Amounts included in Trade Receivables regarding related parties

CJMM - Projects	76 872 771	68 608 656
Department of Transportation, Planning and Management - Projects	641 848 399	646 501 355
Department of Social Development - Projects	23 044 034	7 253 745
City of Johannesburg Housing - Trade	-	741 011
Department of Social Development - Trade	-	391 897
Department of Health - Trade	-	1 560 091
Department of Transportation, Planning and Management - Trade	-	26 420 580
Department of Emergency Management services	-	3 980 605
Department of Health - Projects	37 654 819	28 316 084
Economic Development - Projects	14 468 046	1 778 970
City of Johannesburg Housing - Projects	19 204 613	9 076 641
CJMM - Trade	-	3 406 491
Economic Development - Trade	18 147 876	88 949
Group Strategy	3 184 824	17 440 818
Community Development - Projects	12 113 919	28 933 205
Community Development - Trade	-	1 912 143
Johannesburg Roads Agency (SOC) Ltd	2 697 045	8 200 913
Department of Environment Management Services - Trade	-	1 444 671
Department of Environment Management Services - Projects	9 579 661	20 972 301

##### Amounts included in Trade Payable regarding related parties

CJMM	(379 689)	345 962
CJMM-Treasury	(141 042 337)	70 508 352
Johannesburg Metropolitan Bus Services (SOC) Ltd	(6 320)	-
Pikitup Johannesburg (SOC) Ltd	(180 592)	229 106
CJMM - Department of Planning	(1 977 416)	-
CJMM - Department of Revenue collections	(1 927 808)	-

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### 32. RELATED PARTIES (continued)

#### Related party transactions

##### Purchases from (sales to) related parties

CJMM - Corporate Services	753 069	400 791
Johannesburg Metropolitan Bus Services (SOC) Ltd	16 220	26 520
CJMM - Interest paid	-	6 149 276
City Power (SOC) Ltd	707 281	349 207
CJMM - Risk services	555 730	-
CJMM - Department of Planning ARP	7 543 896	-

##### Income from related parties

CJMM - Grant	22 382 000	26 739 000
DP - Facilitation income	-	116 470

##### Payments to related parties

CJMM	7 292 735	1 118 629
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Purchases from related parties are listed above.

These services were supplied by the related parties and the CJMM in terms of Section 45 of the Municipal Supply Chain Management of 2005.

Awards to spouses and close family members - Refer to note 43

Terms and conditions There are no terms and conditions and no interest is due or payable to any related parties listed above. All related party transactions are on an arm's length basis.

### 33. COMPARATIVE FIGURES

Certain comparative figures as per the disclosure have been restated.

Amendments were made to the prior year disclosure notes based on current year considerations as indicated below with the following reasons:

- Commitments - inclusion in the current year disclosure of significant operating contracts (previously only capital contracts were included);
- Operating lease income - inclusion of an escalation rate in one of the tenants contracts that was not previously taken into account.

The effects of the restatement are as follows:

#### Other disclosure notes

	Comparative figures previously reported	Adjustment	After reclassification
Commitments	1 074 333 945	4 014 787	1 078 348 732
Operating rental income	421 800	415 657	837 457
<b>Total</b>	<b>1 074 755 745</b>	<b>4 430 444</b>	<b>1 079 186 189</b>

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### 34. RISK MANAGEMENT

The JDA has a risk management strategy, which follows an enterprise-wide risk management system in which all identified risk areas are managed systematically and continuously at departmental level, and a risk register. The register is treated as a working risk management document because risks are constantly recorded and managed. Management monitors and evaluates the implementation and efficiency of controls and actions to improve current controls in the risk register.

#### Capital risk management

The entity's objectives when managing capital are to safeguard the entity's ability to continue as a going concern in order to meet the principle objectives of the organisation for the controlling entity and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the entity consists of debt, which includes the borrowings disclosed in notes 8 and 10, cash and cash equivalents disclosed in note 3, and equity as disclosed in the statement of financial position.

As stated in the note regarding going concern, the entity's existence is dependant on the continued support from the controlling entity CJMM.

There are no externally imposed capital requirements.

There have been no changes to what the entity manages as capital, the strategy for capital maintenance or externally imposed capital requirements from the previous year.

#### Liquidity risk

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

At 30 June 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	634 531 248	-	-	-
At 30 June 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Trade and other payables	653 914 690	-	-	-

#### Credit risk

Credit risk consists mainly of cash deposits, cash equivalents, derivative financial instruments and trade debtors. The entity only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument		
Loans from shareholders - refer to note 8	(141 042 337)	(123 254 021)
Trade and other receivables - refer to note 4	873 681 388	877 216 326

### 35. GOING CONCERN

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

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### 35. GOING CONCERN (continued)

The JDA is dependent on the CJMM to fund its operations as it earns revenue from management fees from CJMM's capital projects.

The ability of the JDA to continue as a going concern is dependent on a number of factors. The most significant of these is that the directors continue to receive funding for the ongoing operations for the entity from its controlling entity, the CJMM.

### 36. EVENTS AFTER THE REPORTING DATE

After eleven years of service to JDA seven of which were as CFO, the CFO of the JDA resigned from the organisation on 6 October 2016. Her last working day will be on 30 November 2016.

Other than the above, the accounting officer is not aware of any matter or event arising since the end of the reporting period and the date of this report, which will significantly affect the financial position and the results of the entity's operations.

### 37. UNAUTHORISED EXPENDITURE

Opening balance	-	377 223
Recovery of unauthorised expenditure	-	(377 223)
	-	-

### 38. FRUITLESS AND WASTEFUL EXPENDITURE

Opening balance	878 886	379 803
Fruitless and wasteful expenditure current year	2 991 261	860 468
Sweeping interest reclassified as finance charges	-	(361 385)
Reported to and written off by the Board	(878 886)	-
	<b>2 991 261</b>	<b>878 886</b>

Prior year fruitless and wasteful expenditure was reported and written off by the JDA Board of Directors.

#### Detail of expenditure - 2016

	Interest and penalties to SARS	Total
Fruitless and wasteful expenditure identified	2 991 261	2 991 261

Interest and penalties paid to SARS was charged based on the late payment and submission of the December 2015 VAT return. At the time of submission, the VAT return on the e-filing system was completed however due to some system errors the VAT return was not allowing the return to be submitted and for a payment to be generated. This was then communicated to SARS and when the matter was finally resolved, it was after the Standard Bank shut-down restricted time. This was then objected to and no response has yet been received from SARS.

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### 38. FRUITLESS AND WASTEFUL EXPENDITURE (continued)

Detail of expenditure - 2015	Abortive costs - African Food Hub	Interest on Telkom payments	Total
Fruitless and wasteful expenditure identified	859 806	662	860 468

The African Food Hub Project incurred standing costs that was paid to the contractor for standing time. The JDA Development Manager delayed to provide the project's professional team with the approval of the application for road closure for the African Food Hub Project. Consequently, the engineers could not obtain the final approval for the construction drawings. This resulted in the contractor charging and claiming standing time due to delays experienced. A disciplinary process pertaining to the responsible JDA employee has been concluded and the matter was reported to and condoned by the Board.

Interest relating to late receipt of Telkom invoices - R662.

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### 39. IRREGULAR EXPENDITURE

Opening balance	355 316	329 753
Movement for the year	-	68 585
Reported to and written off by the Board	(355 316)	(43 022)
	<b>-</b>	<b>355 316</b>

#### Details of irregular expenditure – current year

-

No irregular expenditure was incurred in the current year.

#### Details of irregular expenditure-2015

Broll Property Management	10 692
Makro Crown Mines	43 980
Torque Technical Computer Training	6 150
PM Ideas	7 763
	<b>68 585</b>

#### Broll Property Management

The supplier's contract with the JDA has expired and is currently on a month-to-month basis. Broll Property Management manages the Bus Factory tenants and the collection of rental. The expenditure above relates to the management fee charged by and paid to Broll for the period July 2014 until March 2015. The management of tenants is now done internally.

#### Makro Crown Mines

Office groceries were purchased from Makro without obtaining three quotations. The expenditure above relates to payments to Makro for the period July 2014 to November 2014. Office groceries are now procured through requests for quotations.

#### Torque Technical Computer Training

Training for IT staff as per approved individual Learning Plans (ILP's). Only one quotation was sourced instead of the required three from the supplier database.

#### PM Ideas

Training for development implementation staff as per approved individual Learning Plans (ILP's). Only one quotation was sourced instead of the required three from the supplier database.

Prior year irregular expenditure was reported and condoned by the JDA Board of Directors.

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### 40. ADDITIONAL DISCLOSURE IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

#### Audit fees

Current year subscription / fee	1 736 379	1 700 619
Amount paid - current year	(1 736 379)	(1 700 619)
	-	-

#### PAYE and UIF

Current year subscription / fee	11 692 254	10 920 862
Amount paid - current year	(11 692 254)	(10 920 862)
	-	-

#### Pension and Medical Aid Deductions

Current year subscription / fee	4 367 454	2 672 834
Amount paid - current year	(4 367 454)	(2 672 834)
	-	-

#### VAT

VAT payable	1 759 240	26 306 040
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All VAT returns except for the December 2015 VAT return was submitted by the due date throughout the year. Refer to Fruitless and wasteful expenditure note for more details.



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### 41. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

Paragraph 36 of the same gazette states that the accounting officer may dispense with the official procurement process in certain circumstances, provided that he records the reasons for any deviations and reports them to the next meeting of the directors and includes a note to the annual financial statements.

African Graphix	13 200	-
Ascret of David Initiative Projects and Construction	3 450	-
Koketso Growth (Pty) Ltd	-	5 974 551
GVK Siya Zama (Pty) Ltd	-	126 095 085
MBP Earthworks	-	9 340
Ditlodi Community Development	-	968 604
Britehouse	25 378	-
The Creative Axis	256 740	-
Sizwe Ntsaluba Gobodo (Pty) Ltd	867 798	-
Vodacom	428 200	-
Various service providers - minimum three quotations not received	716 895	-
Various service providers - Weighting for the criteria not included in the RFQ's	2 115 589	-
	<b>4 427 250</b>	<b>133 047 580</b>

#### Categories of deviation as per Regulation 36 of the MFMA

Services required in an emergency - regulation 36(1)(a)(i)	16 650	9 340
Any other exceptional case where it is impractical or impossible to follow official procurement processes	-	133 038 240
Ratified minor breaches of SCM processes- regulation 36(1)(b)	4 410 600	-
	<b>4 427 250</b>	<b>133 047 580</b>

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### 41. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

#### **Deviations - 2016**

The deviations from normal supply chain management regulations in the current year are as follows:

##### **African Graphix**

Service required for the Great Walk Bridge collapse cleansing ceremony. Sole supplier appointed by CoJ to place and manage CoJ related branding material. The deviation from the normal JDA Supply Chain Management processes was approved by the CEO.

##### **Ascret of David**

Due to a water leak from the downstairs kitchen overflowing into Portfolio A offices, emergency repairs had to be effected. The water pipes had to be replaced to avoid flooding. In order to minimise further damage to the property and goods only one quotation was sourced from a plumber Asecret of David Initiative Projects and Construction from the JDA panel of plumbers to carry out the emergency repairs. The total cost of the repairs amounted to R 3 450.00. The deviation from the normal JDA Supply Chain Management processes was approved by the CEO.

##### **Vodacom**

The appointment of Vodacom service provider (Pty) Ltd, was undertaken as an appointment under the provision of section 32 of MFMA. Vodacom was procured under a contract secured by the City of Johannesburg Metropolitan Municipality (CJMM). The contract came to an end January 2015 and the contract was extended while CJMM was finalising the procurement of a new service provider. The contract was extended for a prolonged period without procurement process for new service provider being undertaken. The minor breach of the procurement process was ratified by the Accounting Officer.

##### **Ratification - Appointment of a service provider for a compubrand software - Britehouse**

The Accounting Officer ratified a minor breach in supply chain processes for the appointment of Britehouse. An RFQ was advertised on the JDA website for seven days, on receipt of the RFQ the bid was evaluated and the service provider was appointed with a value that exceeds the threshold of R200 000 by R 25,378. The minor breach of the procurement process was ratified by the Accounting Officer.

##### **Ratification - Extension of an appointment from two years to three years - The Creative Axis**

The Accounting Officer ratified a minor breach in supply chain processes for the continued appointment of The Creative Axis. The team was erroneously appointed for two years (2013/14 and 2014/15) instead of three years i.e. including the 2015/16 financial year. The tender document advertised had stated a three year appointment of a service provider. The minor breach of the procurement process was ratified by the Accounting Officer.

##### **Ratification - Reduction of the advertising period - Sizwe Ntsalubo Gobodo**

The Accounting Officer ratified a minor breach in supply chain processes for the reduction in the RFQ advertisement period. The successful bidder of which was Sizwe Ntsalubo Gobodo and the remainder of the process was in terms of the normal SCM processes. The minor breach of the procurement process was ratified by the Accounting Officer.

##### **Ratification - Appointments made where less than three quotations were received**

The Accounting Officer ratified a minor breach in supply chain processes for the appointment of service providers through the request of quotation process where less than the minimum of three quotations was received. These are applicable to all awards made as per supply chain processes of between R30,000 and R200,000. In the current year, there were seven of these instances in a total population of 28 awards. The minor breach of the procurement process was ratified by the Accounting Officer.

##### **Ratification - Appointments made where a weighting criteria was not used in the technical evaluation**

The Accounting Officer ratified a minor breach in supply chain processes for the appointment of service providers through the request of quotation process where the weighting criteria was not applied in the technical evaluation

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### 41. DEVIATION FROM SUPPLY CHAIN MANAGEMENT REGULATIONS (continued)

phase of the process. This was applicable to all the awards made to bidders of between R30,000 and R200,000 which in the current year consisted of a total of twenty eight appointments . The minor breach of the procurement process was ratified by the Accounting Officer.

#### Deviations - 2015

Design, manufacture and erection of a monumental bronze statue of the late former President Nelson Mandela for the City of Ramallah in Palestine.

The Accounting officer approved a deviation from normal supply chain processes as per regulation 36 (1)(a)(v) for the appointment of a service provider to design, manufacture and erect a monumental bronze statue of former President Nelson Mandela for the City of Ramallah in Palestine. The deviation was to shorten the tender advertising period from 14 days to 7 days. The reason for shortening the tender advertising period was due to the stringent time frames to deliver the project.

Appointment of a contractor for the construction of the Inner City Commuter Links Phases 5 and 6

The Accounting officer approved a deviation from normal supply chain processes as per regulation 36 (1)(a)(v) for the appointment of a contractor for the construction of the Inner City Commuter Links Phases 5 and 6. The deviation was to shorten the tender advertising period from 30 days to 21 days. The tender was initially advertised publicly for 30 days however all submissions were found to be non-compliant by the Bid Evaluation Committee. The tender was then re-advertised and due to the stringent timeframes the tender advertising period was shortened.

#### **Emergency repairs to burst geyser in tenant's office space at the Bus Factory**

The Accounting officer approved a deviation from normal supply chain processes as per regulation 36 (1)(a)(i) for the appointment of a service provider to undertake repairs to a burst geyser. The deviation was to request a quotation from one service provider instead of three quotations from three service providers in the JDA database. This was done to minimise further damage to property and goods as a result of the burst geyser.

Appointment of service provider for Community Liaison services in Alexandra

The Accounting officer approved a deviation from normal supply chain processes as per regulation 36 (1)(a)(v) for the appointment of a service provider to manage Community Liaison Officers (CLOs) based in Alexandra. Since the beginning of the Alexandra Renewal Programme in 2001 the project has had the services of a group of CLOs. These CLO's were appointed by the Gauteng Department of Human Settlements through an independent service provider. The contract between the Gauteng Department of Human Settlements and the service provider came to an end on 31 March 2015. Replacing the group of CLOs through an open tender process would pose a serious threat to the delivery of projects in Alexandra. The deviation from normal supply chain processes was to enter into direct negotiations with the Cooperative formed by the CLOs with a view of appointing them to provide community liaison services for the Alexandra Renewal Programme.

### 42. OPERATING LEASE INCOME

#### **Operating leases - as lessor (income)**

##### **Minimum lease payments due**

- within one year	161 247	146 589
- in second to fifth year	529 521	690 769
	<b>690 768</b>	<b>837 358</b>

The operating lease income relates to rental of the Bus Factory offices to tenants. The lease agreements general period is three years and is based on a rental fee per square metre of rental space.

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### 43. AWARDS MADE TO A PERSON WHOSE CLOSE FAMILY MEMBERS ARE IN THE SERVICE OF THE STATE

Name of the person (Service of the State)	Name of the person/company award	Name of the person/company award	Amount in Rands
Nyiko Gudlhuza	Gudlhuza Development Solutions	Spouse works for Eskom but of not a member of the CC	1 232 636
Nyiko Gudlhuza	Gudlhuza development Solutions	Spouse works for Eskom but of not a member of the CC	35 300
Clive September	GIBB (Pty) Ltd	Daughter employed by Health Infrastructure PWGWC as a State Accountant and another Daughter employed by the City of Cape town as a Project Administrator	623 754
Darren Pillay		Parent employed by the Dept of Education KZN as a data capture and Another parent employed by the Dept of Education as an Educator	
Jenny Moon		Spouse works for the City of Cape Town as Head: Business Continuity	
Jo-Anne Stolworthy		Spouse works for the City of Cape Town as Principle Professional officer	
Lize de Beer		Spouse works for Eskom as Chief Engineer	
Mthokozisi Selby Mkhize		Spouse works for the National Department of water Affairs and Forestry as an Accounting Clerk	
Neville Randall		Department of Education as a Senior Educator	
Nomasithini Mzayiya		Spouse works for the Dept of Correctional Services as Correctional Officer	
Penny Smith		Partner works for the Department of transport and Public Works as DDG	
Rorisang Lekonyana		Spouse work for Department of National Treasury as Deputy Director	
Douglas Kiewiet		Parent works for Department of Water Affairs and Forestry	
Vinnie Naidoo		Spouse works for the Gauteng Dept of Education as an HOD for Math's	
Pravanya Pillay		Spouse works for the City of Cape Town as senior Professional Officer and Mother works for the Dept of Education KZN as HoD: Languages, Father works for the Dept of Transport KZN as Mechanical Engineer	
Zafar Haq		Brother works for City Engineers as Architect/town Planner	
CAJ van Coillie	CSM Consulting Services	Son, Andre van Coillie, is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	1 700 425
CAJ van Coillie	CSM Consulting Services	Son, Andre van Coillie, is employed by Western Cape Provincial Government Department of Environmental Affairs and Development Planning	2 053 480

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### 44. BUDGET DIFFERENCES

#### Material differences between budget and actual amounts

Rendering of services - Management fees are raised on CAPEX budget and only 92% of the overall CAPEX budget was spent for the current financial year. The under expenditure in the CAPEX budget has resulted in an under recovery of management fees from the relevant departments.

Tender fee income - The overall tender fees are budgeted for based on prior year trends. The overall tender fee income is dependant on the number of bidders that purchase the proposal documents. During the current year a higher than expected number of tender documents were purchased.

Sundry income - Included in the budgeted amounts are SDL refunds that were expected to be received by year end. Although these returns were filed, no refunds were received by year end.

Recovery of non-current and intangible assets expenditure - Included in the current year CAPEX budget was R 11 million for the purchase of operational assets. This included the implementation of Phase 1 of the SAP ERP system and other fixed assets. For the year under review, R9 million of this budget was utilised and claimed from the CJMM Capital Asset Management department.

Employee related costs - The variance is mainly as a result of vacant positions that are still currently under recruitment process. These positions include EM: Development Implementation, HR Manager, SDM: Portfolio A and SDM: Portfolio B.

Depreciation and amortisation - The variance is mainly due to the increase in the property, plant and equipment and the intangible assets in the current year.

Finance costs - Included in the finance costs is interest and penalties charged by SARS on the late submission of a VAT return. This is currently under objection however no feedback has been received as yet.

General expenses - The major contributor to the over expenditure is the staff recruitment costs. This was mainly due to the number of vacant positions during the current year and the additional costs for advertising of vacant positions.



## **CHAPTER 6: AUDITOR-GENERAL'S FINDINGS**

## Section 1: Auditor-General's report for the current year

Note: The Constitution S188 (1) (b) states that the functions of the Auditor-General includes the auditing and reporting on the accounts, financial statements and financial management of all Municipalities. MSA section 45 states that the results of performance measurement must be audited annually by the Auditor-General.

The Auditor General completed with the 2014/15 regulatory audit at the end of November 2015 and JDA obtained a Clean Audit for the 2014/15 financial year.

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Audit opinion	Unqualified	Unqualified	Unqualified	Unqualified	Clean	Clean

## Section 2: Historical audit findings and remedial action

### ANALYSIS OF 2015/16 AUDIT FINDINGS

	NEW IN 2015/16	REPEAT FINDING	ACTIONS TO RESOLVE
Matters affecting Audit opinion	0	0	The JDA received a clean audit status in the 2015/16 financial year. However, management still continues to improve on internal controls to maintain this status

In 2015/16, the JDA received a clean audit opinion. The Auditor-General also identified areas of improvement for management. Recommendations included improved non-financial performance information controls and reporting. Remedial action has since been taken. The internal audit function has undertaken reviews to assess management's implementation progress and provided its reports to the Audit and Risk Committee.



## Section 3: Commitment by the Board of Directors

The table below provides strategic commitments or improvement initiatives per key role player. These will be monitored and tracked during quarterly engagements with the administrative leadership.

### New and in-progress commitments

Key role players	Current year initiatives and commitments		Focus area targeted by commitment
Mayor	Key commitments		
	1	Expectation of Mayor is for a clean audit as documented in shareholder compact.	Financial statements
Accounting Authority/CEO	Key commitments		
	1	Quarterly financial statements with all disclosures prepared and audited by internal audit.	Financial statements
	2	Proper and accurate alignment of the JDA scorecard and annual report with regards to how outcomes are documented in the respective documents.	Predetermined objectives
	3	Develop an invoice management guideline to ensure compliance with section 99(2) of the MFMA.	Expenditure management
Audit and Risk Committee	Key commitments		
	1	Quarterly financial statements with all disclosures prepared and audited by internal audit.	Financial statements
	2	Quarterly audit of predetermined objectives by internal audit.	Quarterly Reports
	3	Tracking of findings raised by internal and external auditors.	Internal controls
Other role player	Key commitments		
	1	Quarterly financial statements with all disclosures prepared and audited by internal audit.	Financial statements
	2	Proper and accurate alignment of the JDA scorecard and annual report with regards to how outcomes are documented in the respective documents.	Predetermined objectives
	3	Develop an invoice management guideline to ensure compliance with section 99(2) of the MFMA.	Expenditure management
	4	Review the finance policies and procedures and have a separate document for policies and a separate document for procedures.	Policy management

  
Cassim Coovadia  
Chairperson

## Section 4: Mitigation strategies on the assessment of the Integrated Reporting and MFMA Circular 63

The table below provides the improvement in the preparation of this report based on the assessment report provided by the City of Joburg's Group Governance Department (GGD).

Area	Response
Value Creation	<ul style="list-style-type: none"><li>• An infographic depicting the JDA's value creation process has been developed and included in the report under Chapter 1, Section 3</li></ul>
Conciseness	<ul style="list-style-type: none"><li>• JDA performance has been captured and where possible, unnecessary content has been removed</li></ul>
Consistency and Comparability	<ul style="list-style-type: none"><li>• Performance of the JDA has been highlighted, especially in the table under the CEO's message</li></ul>
Governance	<ul style="list-style-type: none"><li>• The Board members profiles have been shorted and reflected to be consistent with the example provided by GGD.</li></ul>

## **ANNEXURES**

## Annexure 1: Recommendations of the Audit and Risk Committee (Appendix G)

Audit and Risk Committee recommendations		
Date of committee	Committee recommendations during 2015/16	If recommendations adopted, enter Yes. If not adopted, provide explanation
27-Jul-15	External audit strategy Annual financial statements and integrated report	Yes
25-Aug-15	Risk management framework Risk management policy Risk management strategy Risk management strategy implementation plan	Yes
29-Oct-15	2015/2016 materiality framework First quarter report IT security policy E-mail and internet usage policy IT governance charter	Yes
16-Nov-15	Audited annual financial statements Management letter Audit report	Yes
16-Feb-16	GRC report Second quarter report Supply chain management policy	Yes
31-May-16	ARC schedule Risk registers Fraud risk management policy Fraud prevention strategy and response plan Whistle-blowing policy	Yes
	Compliance policy	No
31-May-16	Draft business plan Dashboard report Fraud hotline	Yes
31-May-16	Strategic risk register Fraud risk management	Yes
30-Jun-16	Internal audit charter Programme performance reporting framework policy and reporting framework	Yes

## Annexure 2: Long-term contracts and Public-Private Partnerships (Appendix H)

Schedule of contracts over R10 million and running for more than one financial year:

Long-term contracts for 2015/16					
					R 000
Name of service provider (entity or municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Contract value
Nyeleti Consulting	BRT Midrand depot	June 2015	June 2018	Portfolio C	R11 255 738.47
ITS Engineers	Gandhi Square interchange, Greenstone and Emthonjeni bus terminals	May 2015	1/06/2017	Portfolio C	R15 380 000.00
Murray and Roberts	Great Walk Pedestrian Bridge, Grayston interchange and Grayston Road	Mar 2015	June 2017	Portfolio C	R129 743 737.73
WBHO	Phase 1C, section 8 work package 8B	Dec 2014	June 2017	Portfolio C	R63 794 973.15
WBHO Well Earned Civils JV	Rea Vaya phase 1C BRT section A Katherine and Marlboro Road	Mar 2015	June 2017	Portfolio C	R176 598 656.54
HHO Consulting Engineers	Rea Vaya section 9 – Sandton to Randburg	April 2015	April 2017	Portfolio C	R10 762 500.00
Easyway Tarmac Pave and Projects	Phase 1 Feeder Routes	Aug 2015	June 2015	Portfolio C	R12 207 714.18
Opal Projects JV Mathelemusa Trading	Union Stadium Phase 1	July 2015	June 2016	Portfolio C	R 9 256 859.00
Radon Projects / Smart Civil Construction JV	Cosmo City Fire Station	Sept 2015	June 2016	Portfolio A	R 29 579 953.46
Solidaire Construction (Pty) Ltd	Langlaagte Pharmacy Depot	Jan 2016	June 2017	Portfolio C	R 27 331 193.49
Radon Smart JV	Noordgesig Clinic	Jan 2016	June 2017	Portfolio B	R 21 932 475.00
Solidaire Construction (Pty) Ltd	Nancefield Transit Oriented Development	Jan 2016	June 2017	Portfolio B	R32 184 621.82
Chuene Matlala Construction CC	Thoko Mngoma Clinic	Feb 2016	June 2017	Portfolio D	R 13 857 198.18
BRU Joint Venture	Karzene Intermodal Facility	Feb 2016	June 2018	Portfolio A	R 272 622 663.25
Gaborena Construction/ Tlou Mokgalaka JV	Rabie Ridge Community Centre	Feb 2016	June 2017	Portfolio C	R 19 459 919.00
Bophelong Construction	Kliptown Development Programme	March 2016	June 2017	Portfolio B	R 26 921 677.31
ABE Consulting Services (Pty) Ltd	4 <sup>th</sup> Avenue Clinic	Feb 2016	June 2017	Portfolio D	R 17 648 631.42
Murray and Dickson	Paterson Park Culvert and Stream Upgrade	March 2016	June 2017	Portfolio A	R 59 989 238.43
Kingsway Civil	Randburg Public Environment Upgrade	March 2016	June 2017	Portfolio A	R 27 047 759.90
Bophelong Construction (Pty) Ltd	Auckland Park NMT	March 2016	June 2017	Portfolio C	R 17 920 754.57
Buildagain Project 203	Golden Harvest Grug Rehabilitation Centre Phase 2	March 2016	June 2017	Portfolio B	R 15 692 139.85
Rembu Construction	New Community Library in Lehae	April 2016	June 2017	Portfolio C	R 23 526 710.55
Axton Matrix Construction	Rea Vaya Phase 1C Section 15, workpackage 15J	March 2016	June 2017	Portfolio C	R 51 965 905.74
Moreteng Investment / Easyway Tarmac JV	Rea Vaya Phase 1A Feeder Routes Phase 2	April 2016	June 2017	Portfolio C	R 19 727 205.17

Long-term contracts for 2015/16					
					R 000
Name of service provider (entity or municipal department)	Description of services rendered by the service provider	Start date of contract	Expiry date of contract	Project manager	Contract value
Rorisang Holdings (Pty) Ltd / Rapdl Construction CC JV	Alexandra Linear Markets	April 2016	June 2017	Portfolio C	R 12 267 521.05
Nkomaba Trading and Projects	Ivory Park Linear Markets	May 2016	June 2017	Portfolio C	R 17 047 542.98
Halifax Group and Road Tech Engineering JV	Auckland Park Precinct Park NMT	April 2016	June 2017	Portfolio C	R 23,288,525.97

No public-private partnership contracts are currently managed by the JDA.

### Annexure 3: Disclosure of financial interest (Appendix J)

Disclosures of financial interests		
Period 1 July 2015 to 30 June of 2016		
Position	Name	Description of financial interests (Nil or details)
Chair		Trustee for Urban Housing Finance  Director at: African Union for Housing Finance Banking Association SA Business Unity SA Centre for Development Enterprise Financial Services Council Finmark Trust International Banking Federation International Union for Housing Finance Metier Lereko National Business Unit Initiative Nepad Business Foundation Ombudsman for Financial Services SABRIC SADC Banking Association  Shares in: ABIL AngloGold ARROW A ARROW B Capitec Finbond FirstRand INVPLC JDE Netcare Oasis Petmin Pick n Pay PROPXTEN Redefine Satix 40 Standard Bank
	C Coovadia	
Board members		R Masilo Attorneys  Director at: Ekurhuleni Development Company Maxalex Investments (Pty) Ltd Maxalex Property Development (Pty) Ltd
	P Masilo	
		Trustee at Pamela Segakweng Trust and Segakweng Trust  Director at National Film and Video Foundation  100 per cent shareholder in Segakweng Enterprise and Strategy Consulting (Pty) Ltd
	P Mashiane	
		Director at SAV Tran Management Agency
	D Thwala	Shares in:

Disclosures of financial interests		
Period 1 July 2015 to 30 June of 2016		
Position	Name	Description of financial interests (Nil or details)
		African Bank MTN MultiChoice Sasol Telkom SA Vodacom  Employee at the University of Johannesburg
	E Harvey	Nil
	N Selamolela	Director at Broadband Infraco 10 per cent shareholder at Emlangeni (Pty) Ltd 100 per cent shareholder at Murhambo Capital Employee at Foodbev Seta
	K Govender	Director at: Mally Govender and Associates Zukramede (Pty) Ltd  Shares in MTN
	N Maila	Trustee at HF Edwards Education Trust Director at dormant company: Rearogile Investment (Pty) Ltd Employee at Liberty
	P Zagaretos	Director at: Tenurey Bespoke Advisory (Pty) Ltd Ule Investments (Pty) Ltd
<b>Chief executive officer</b>	T Mendrew	Director at: Constitution Hill Development Company (SOC) Ltd Greater Newtown Development Company (SOC) Ltd MAYBORN Investment 73 (Pty) Ltd
<b>Chief financial officer</b>	Z Mafata	Director at Vhugala Investments (Pty) Ltd  Shares in: Old Mutual Sanlam Sasol Telkom SA
<b>Executive managers</b>	D Cohen	Nil
	B Magoso	Nil
	C Botes	Nil
<b>Other S57 officials</b>	R Shirinda	Nil
	Z Tshabalala	Nil
	L Visagie	Nil



## Annexure 5: JDA scorecard for 2014/15<sup>20</sup>

### Programme 1: Inner City Transformation

**Table 1.1 KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
<i>Programme 1: Priority Implementation Plan: Inner City Transformation</i>	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Capital expenditure for Programme 1	% of capital budget spent	% of capital budget spent on all projects allocated to Programme 1 as determined by the list of projects and budgets allocated to them in the mid-year budget adjustment.	Cumulative expenditure targets are set for each quarter
		Development Progress Per Project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
	· Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.		<b>Park Station Precinct: Inner City Commuter Links - Jack Mincer Taxi Facility Extension</b>	% of development progress achieved against the defined scope of work that includes the detailed design and 100% first phase of public environment upgrade construction work to extend the Jack Mincer taxi facility.	Cumulative development progress targets are set for each quarter
			<b>Hillbrow Tower Precinct</b>	% of development progress achieved against the defined scope of work that includes public environment upgrading for Goldreich and Nugget streets. This includes paving, lighting (street and pedestrian), and street furniture: including benches, bins and bollards and landscaping.	Cumulative development progress targets are set for each quarter
	· Develop local economic potential in		<b>Inner City Core Public Environment Upgrade</b>	% of development progress achieved against the defined scope of work that includes the creation	Cumulative development progress targets are set

<sup>20</sup> Approved by Board Committee post mid-year budget adjustment

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	marginalised areas to promote access to jobs and markets.			of a pedestrian friendly and walkable urban environment through the establishment of a network of public spaces. The project area is defined as De Villiers Street in the North, Commissioner Street in the South, Sauer Street in the West, and End Street in the East.	for each quarter
			<b>Kazerne Property Development Phase 1</b>	% of development progress achieved against the defined scope of work that includes design, piling and a first phase of construction.	Cumulative development progress targets are set for each quarter
			<b>Johannesburg Art Gallery Upgrade<sup>21</sup></b>	% of development progress achieved against the defined scope of work that includes building improvements to the JAG.	Cumulative development progress targets are set for each quarter
			<b>Intelligent Operations Centre<sup>22</sup></b>	KPI removed	Project to be implemented by CoJ: Public Safety and not the JDA.
		Programme 1: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 1 construction contracts	Number of individuals employed on construction projects in Programme 1	Cumulative employment targets are set for each quarter based on 8 jobs per R' million spent
			BBBEE expenditure share as a % of total Capex <sup>23</sup>	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority	% per quarter in Quarterly reports and % per year in Annual report
			SMME expenditure share as a % of total Capex <sup>24</sup>	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant	% per quarter in Quarterly reports and % per year in Annual report

<sup>21</sup> The KPI Description is Johannesburg Art Gallery Upgrade, the KPI target is defined as Johannesburg Art Gallery

<sup>22</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and from July 2015 was being implemented for on behalf of the Client Departments by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Intelligent Operations Centre project had changed and based on a decision by Executive Head of EMS the JDA was no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

<sup>23</sup> The KPI Description is BBBEE expenditure share as a % of total capex, the KPI target is defined as BBBEE expenditure share as a % of total capex over the same time period

<sup>24</sup> The KPI Description is SMME expenditure share as a % of total Capex, the KPI target is defined as SMME expenditure share as a % of total Capex over the same time period

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			Of which: Jozi@Work SMME expenditure share as a % of total Capex <sup>25</sup>	% of expenditure attributed to Jozi@Work SMME companies as verified by CSA appointed by CoJ or JDA in accordance with Jozi@Work principles.	% per quarter in Quarterly reports and % per year in Annual report
		Programme 1: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in the Johannesburg Inner City	% of positive and neutral media reports out of the total number of media reports on Inner City development areas	Annual target reported every quarter
	Promote economic empowerment through the structuring and procurement of JDA developments.		Number of property developments facilitated by the JDA in the Johannesburg Inner City	Lease signed for at least one Precinct property development and feasibility study completed for at least one Precinct property development	Completion target date is set for report and lease agreement

**Table 1.2 Additional Projects: KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 1: Priority Implementation Plan: Inner City Transformation	Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.	Urban development plans developed	<b>Eastern Gateway UDF</b>	% of progress achieved against the defined scope of work that includes an urban design framework of an Eastern Gateway.	Cumulative development progress targets are set for each quarter

**Table 1.3 Targets**

<sup>25</sup> The KPI Description is Of which: Jozi@Work SMME expenditure share as a % of total Capex, the KPI target is defined as Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Capital expenditure for Programme 1	% of capital budget spent	100%	2%	40%	50%	100%
Development Progress per Project	% development progress against planned works.					
	Park Station Precinct: Inner City Commuter Links /Jack Mincer Taxi Facility Extension	100%	10%	40%	40%	100%
	Hillbrow Tower Precinct	100%	20%	40%	70%	100%
	Inner City Core Public Environment Upgrade	100%	20%	40%	50%	100%
	Kazerne Property Development Phase 1	100%	20%	40%	45%	100%
	Johannesburg Art Gallery <sup>26</sup>	100%	0%	0%	70%	100%
	Intelligent Operations Centre <sup>27</sup>	-	KPI removed. Project to be implemented by CoJ: Public Safety and not the JDA.			
Programme 1: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 1 construction contracts.	1057	22	8 jobs per R'm capex. Estimate based on cash flow projection = 423	8 jobs per R'm capex. Estimate based on cash flow projection = 529	8 jobs per R'm capex. Estimate based on cash flow projection = 1057
	BBBEE expenditure share as a % of total capex over the same time period <sup>28</sup>	100%	121%	100%	100%	100%
	SMME expenditure share as a % of total Capex over the same time period <sup>29</sup>	30%	26%	30%	30%	30%

<sup>26</sup> The KPI Description is Johannesburg Art Gallery Upgrade, the KPI target is defined as Johannesburg Art Gallery

<sup>27</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and from July 2015 was being implemented for on behalf of the Client Departments by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Intelligent Operations Centre project had changed and based on a decision by Executive Head of EMS the JDA was no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

<sup>28</sup> The KPI Description is BBBEE expenditure share as a % of total capex, the KPI target is defined as BBBEE expenditure share as a % of total capex over the same time period

<sup>29</sup> The KPI Description is SMME expenditure share as a % of total Capex, the KPI target is defined as SMME expenditure share as a % of total Capex over the same time period

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period <sup>30</sup>	5%	-	5%	5%	5%
Programme 1: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in the Johannesburg Inner City	90%	92%	90%	90%	90%
	Number of property developments facilitated by the JDA in the Johannesburg Inner City	2	0	0	0	2

**Table 1.4 Additional Projects: Targets**

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Urban development plans developed	<b>Eastern Gateway UDF</b>	100%	-	-	-	100%

<sup>30</sup> The KPI Description is Of which: Jozi@Work SMME expenditure share as a % of total Capex, the KPI target is defined as Of which: Jozi@Work SMME expenditure share as a % of total Capex over the same time period

## Programme 2 TOD / Station Precinct Developments

**Table 2.1 KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 2: Station Precinct Transit Oriented Development Node	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Capital expenditure for Programme 2	% of capital budget spent	% of capital budget spent on all projects allocated to Programme 2 as determined by the list of projects and budgets allocated to them in the mid-year budget adjustment	Cumulative expenditure targets are set for each quarter
		Development progress per project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
			<b>Nancefield Station Precinct (Phase 3)</b>	% development progress achieved against the defined scope of work that includes the completion of road upgrades and bulk services and stormwater infrastructure.  Phase 3 will be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Nancefield Station Precinct (Phase 4)</b>	% development progress achieved against the defined scope of work that includes the completion of road upgrades and bulk services and stormwater infrastructure.  Phase 4 will be at 60% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	· Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.		Jabulani TOD Node (Phase 2 & 3)	% development progress achieved against the defined scope of work that includes the Bolani Link Road.  Phase 2 & 3 will be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			Jabulani TOD Node (Phase 4)	% development progress achieved against the defined scope of work that includes the Bolani Link Road.  Phase 4 will be at 50% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
	Orlando East Station Precinct (Phase 1)		% development progress achieved against the defined scope of work that includes identifying and securing a site for an integrated property development that demonstrates mixed use, high density transit-oriented development principles, and the design and first phase will be at 50% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter	
	Westbury NMT (Phase 2) <sup>31</sup>		% development progress achieved against the defined scope of work that includes a public environment upgrade including roads, sidewalks and bulk infrastructure upgrade, and other community facilities.	Cumulative development progress targets are set for each quarter	
	Westbury Pedestrian Bridge		% of development progress achieved against the defined scope of work that includes design and construction of cycle lanes and pedestrian links between Westbury and other	Cumulative development progress targets are set for each quarter	

<sup>31</sup> Was previously referred to as Westbury Precinct Development

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
				economic opportunities.	
			<b>Westbury NMT (Phase 3): Westdene Dam Precinct Upgrade<sup>32</sup> (Concept Design)</b>	% of development progress achieved against the defined scope of work for a public environment upgrade including roads, sidewalks and bulk infrastructure upgrade, and other community facilities.	Cumulative development progress targets are set for each quarter
			<b>Knowledge Precinct: UJ Cycle Lanes</b>	KPI removed.	Project not implemented as no funding was made available in 2015/16 by client department (Transport)
			<b>Knowledge Precinct: Campus Square Bridge (Detailed Design)</b>	% of development progress achieved against the defined scope of work for a new bridge and park across the Empire and University street interchange.	Cumulative development progress targets are set for each quarter
			<b>Knowledge Precinct: Milpark Owl Street Precinct</b>	KPI removed.	Project not implemented as no funding was made available in 2015/16

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<sup>32</sup> Was previously only referred to Westdene Dam Precinct Upgrade



IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			Rotunda Park Precinct (Phase 1)	% development progress achieved against the defined scope of work that includes preparation of an Urban Development Framework and capital works priority implementation plan. It is anticipated that initial construction work will include public environment upgrading and preparations for social housing developments.  Phase 1 will be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			Rotunda Park Precinct (Phase 2)	% development progress achieved against the defined scope of work that includes preparation of an Urban Development Framework and capital works priority implementation plan. It is anticipated that initial construction work will include public environment upgrading and preparations for social housing developments.  Phase 2 will be at 50% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
	Randburg CBD Precinct Development (Phase 1)		% development progress achieved against the defined scope of work that includes a transport impact assessment, detailed design work for public environment upgrading, and a first phase of construction to develop the CBD as a transit precinct.	Cumulative development progress targets are set for each quarter	
	Randburg CBD Precinct Development (Phase 2)		% development progress achieved against the defined scope of work that includes a transport impact assessment, detailed design work for public environment upgrading, and a first phase of construction to develop the CBD as a transit precinct.	Cumulative development progress targets are set for each quarter	
	· Develop local economic potential in marginalised areas to promote access to jobs and markets.				

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Corridors of Freedom Sports Facilities: Union Stadium</b>	% of development progress achieved against the defined scope of work that includes design and construction for upgrades to Union sports stadium.	Cumulative development progress targets are set for each quarter
			<b>Corridors of Freedom: Patterson Park (Phase 1)</b>	% development progress achieved against the defined scope of work for development of Patterson Park.  Phase 1 – is funded by Community Development includes the Recreation Centre.	Cumulative development progress targets are set for each quarter
			<b>Corridors of Freedom: Patterson Park (Phase 2)</b>	% development progress achieved against the defined scope of work for development of Patterson Park.  Phase 2 – is funded by Development Planning includes the Sports Centre and Stormwater project.	Cumulative development progress targets are set for each quarter
			<b>Pennyville Community Hall</b>	KPI removed.	Project not implemented as the funding is only to be made available in 2017/18 by client department (ComDev)
			<b>Balfour Park</b>	KPI removed.	Project not implemented as funding is only to be made available 2017/18
			<b>Orlando Ekhaya New Community Centre</b>	KPI removed	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev)
			<b>Brixton Social Cluster (Concept Design)</b>	% development progress achieved for identified social facilities cluster in Brixton	Cumulative development progress targets are set for each quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Noordgesig Social Precinct Redesign (Concept Design)</b>	% development progress achieved for identified social facilities cluster in Noordgesig	Cumulative development progress targets are set for each quarter
			<b>Pocket Places on Louis Botha Corridor</b>	KPI removed.	Project not implemented as funding is only to be made available 2017/18. (Development Planning)
			<b>Louis Botha Co-Production Zone for Social Interventions</b>	KPI removed.	Project not implemented as no funding was made available in 2015/16. (Development Planning)
			<b>Perth/Empire Corridor Co-Production Zone for Social Interventions (Westbury Transformation Zone)</b>	KPI removed.	Project not implemented as no funding was made available in 2015/16. (Development Planning)
	· Promote economic empowerment through the structuring and procurement of JDA developments.	Programme 2: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 2 construction contracts	Number of individuals employed on construction projects in Programme 2	Cumulative employment targets are set for each quarter based on 8 jobs per R' million spent
			BBBEE expenditure share as a % of total Capex	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority in the same time period	% per quarter in Quarterly reports and % per year in Annual report
			SMME expenditure share as a % of total Capex	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant in the same time period	% per quarter in Quarterly reports and % per year in Annual report
			Of which: Jozi@Work SMME expenditure share as a % of total Capex	5% of expenditure attributed to Jozi@Work SMME companies as verified by CSA in the same time period	% per quarter in Quarterly reports and % per year in Annual report
	· Support productive development partnerships and co-operation between all stakeholders in	Programme 2: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in the Station Precincts	% of positive and neutral media reports out of the total number of media reports on Station Precinct Developments	Annual target reported every quarter
			Number of property developments facilitated by the JDA in the Station Precincts	Feasibility Study completed for Randburg Civic Precinct	Completion target date is set for report

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	these areas.				

**Table 2.2 Additional Projects: KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
<i>Programme 2: Station Precinct Transit Oriented Development Node</i>	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Development Progress Per Project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
	· Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.		<b>Corridors of Freedom: Westbury Transformation Development Centre</b>	% development progress achieved against the defined scope of work for building upgrades and refurbishment of the existing facility in Westbury and will be at 40% development progress by end of the financial year	Cumulative development progress targets are set for each quarter

**Table 2.3 Targets**

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Capital expenditure for Programme 2</i>	% of capital budget spent	100%	6%	26%	50%	100%
<i>Development progress per project</i>	% development progress against planned works					
	<b>Nancefield Station Precinct (Phase 3)</b>	100%	10%	20%	100%	100%
	<b>Nancefield Station Precinct (Phase 4)</b>	100%	-	-	35%	100%

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Jabulani TOD (Phase 2)	100%	10%	20%	100%	100%
	Jabulani TOD (Phase 3)	100%	-	-	100%	100%
	Jabulani TOD (Phase 4)	100%	-	-	20%	100%
	Orlando East Station Precinct (Phase 1)	100%	10%	20%	20%	100%
	Westbury NMT (Phase 2)	100%	10%	20%	40%	100%
	Westbury Pedestrian Bridge	100%	10%	20%	40%	100%
	Westbury NMT (Phase 3): Westdene Dam Precinct Upgrade <sup>33</sup>	100%	0%	20%	25%	100%
	(Concept Design)					
	Knowledge Precinct: Campus Square Bridge (Detailed Design)	100%	10%	20%	25%	100%
	Rotunda Park Precinct (Phase 1)	100%	0%	40%	80%	100%
	Rotunda Park Precinct (Phase 2)	100%	0%	0%	20%	100%
	Randburg CBD Precinct Development (Phase 1)	100%	50%	70%	100%	100%
	Randburg CBD Precinct Development (Phase 2)	100%	0%	0%	40%	100%
	Corridors of Freedom Sports Facilities: Union Stadium	100%	10%	20%	50%	100%

<sup>33</sup> Was previously only referred to Westdene Dam Precinct Upgrade

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Corridors of Freedom: Patterson Park (Phase 1)	100%	10%	20%	40%	100%
	Corridors of Freedom: Patterson Park (Phase 2)	100%	10%	20%	40%	100%
	Orlando Ekhaya New Community Centre	100%	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev)			
	Brixton Social Cluster (Concept Design)	100%	0%	20%	20%	100%
	Noordgesig Social Precinct Redesign (Concept Design)	100%	0%	20%	25%	100%
	Knowledge Precinct: UJ Cycle Lanes	-	KPI removed. Project not implemented as the funding was withdrawn by the Client Department (Transport)			
	Knowledge Precinct: Milpark Owl Street Precinct	-	KPI removed. Project not implemented as the funding is only to made available in 2016/17 by client department (Development Planning)			
	Pennyville Community Hall	-	KPI removed. Project not implemented as the funding is only to made available in 2017/18 by client department (ComDev)			
	Balfour Park	-	KPI removed. Project not implemented as the funding is only to made available in 2016/17 by client department (Development Planning)			
	Pocket Places on Louis Botha Corridor	-	KPI removed. Project not implemented as no funding was made available in 2015/16 by client department (Development Planning)			
	Louis Botha Co-Production Zone for Social Interventions	-	KPI removed. Project not implemented as no funding was made available in 2015/16 by client department (Development Planning)			
	Perth/Empire Corridor Co-Production Zone for Social Interventions	-	KPI removed. Project not implemented as no funding was made available in 2015/16 by client department (Development Planning)			
Programme 2: Economic	Number of Short Term EPWP job opportunities created through Programme 2	1 559	94	8 jobs per	8 jobs per	8 jobs

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Empowerment</i>	construction contracts			R'm capex. Estimate based on cash flow projection = 406	R'm capex. Estimate based on cash flow projection = 780	per R'm capex. Estimate based on cash flow projection = 1559
	BBBEE expenditure share as a % of total capex in Programme 2	100%	121%	100%	100%	100%
	SMME expenditure share as a % of total Capex in Programme 2	30%	40%	30%	30%	30%
	Of which: Jozi@Work SMME expenditure share as a % of total Capex in Programme 2	5%	-	5%	5%	5%
<i>Programme 2: Productive Development Partnerships</i>	Positive media reports as a % of the total number of media reports on the JDA in the Station Precincts	90%	100%	90%	90%	90%
	Number of property developments facilitated by the JDA in the Station Precincts	1	0	0	0	1

**Table 2.4 Additional Projects: Targets**

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Development Progress per Project</i>	% development progress against planned works:					
	<b>Corridors of Freedom: Westbury Transformation Development Centre</b>	100%	0%	0%	20%	100%

## PROGRAMME 3 GMS Priority Areas

Table 3.1 KPI Definitions

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
<i>Programme 3: GMS Priority Area Based Planning and Implementation</i>	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Capital expenditure for Programme 3	% of capital budget spent	% of capital budget spent on all projects allocated to Programme 3 as determined by the list of projects and budgets allocated to them in the mid-year budget adjustment	Cumulative expenditure targets are set for each quarter
		Development progress per project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
			<b>Kliptown Precinct Re-Development (Phase 2)</b>	% of development progress achieved against the defined scope of work that includes landscaping, paving, lighting, fencing and waterproofing in order to create more green space and improve access to the WSSD.  Phase 2 will be at 65% development progress by end of the financial year	Cumulative development progress targets are set for each quarter
	· Promote economic growth by creating efficient and competitive		<b>Diepsloot Development Ingonyama Road Upgrade (Phase 2)</b>	% of development progress achieved against the defined scope of work that includes completion of final phase of construction	Cumulative development progress targets are set for each quarter



IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	business environments that cluster industries and functions in these areas.		<b>Diepsloot Development Ingonyama Road Upgrade (Phase 3)</b>	% of development progress achieved against the defined scope of work that includes completion of final phase of construction	Cumulative development progress targets are set for each quarter
	· Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.		<b>Alexandra Automotive Industrial Park</b>	% of development progress achieved against the defined scope of work that includes design and implementation of the automotive industrial park at Alexandra to be at 65% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Cosmo City Fire Station</b>	% of development progress achieved against the defined scope of work that includes construction of a new fire station in Cosmo City	Cumulative development progress targets are set for each quarter
			<b>Diepsloot Community Centre</b>	KPI removed.	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev)
	· Develop local economic potential in marginalised areas to promote access to jobs and markets.		<b>CoJ Clinics: Protea South</b>	KPI removed.	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health)
			<b>Stretford New Library</b>	KPI removed.	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev)

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Lehae New Library</b>	% of development progress achieved against the defined scope of work that includes construction of a new library in Lehae	Cumulative development progress targets are set for each quarter
			<b>Rabie Ridge Multi-Purpose Centre</b>	% of development progress achieved against the defined scope of work that includes construction of a Multi-Purpose centre in Rabie Ridge	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: New Turffontein</b>	KPI removed.	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health)
			<b>CoJ Clinics: Zandspruit</b>	KPI removed.	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health)
			<b>CoJ Clinics: Noordgesig<sup>34</sup></b>	% of development progress achieved against the defined scope of work that includes a phase of construction for the clinic building to be at 65% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: Orchards<sup>35</sup></b>	% of development progress achieved against the defined scope of work that includes a phase of construction for the clinic building to be at 70% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: Parkhurst</b>	KPI removed.	Project not implemented as project was withdrawn and no funding was made available in 2015/16 by

<sup>34</sup> This project is co-funded by Dept. of Health and Development Planning

<sup>35</sup> This project is co-funded by Dept. of Health and Development Planning

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
					Client Department (Health)
			<b>CoJ Clinics: Westbury</b>	% of development progress achieved against the defined scope of work that includes a phase of construction for the clinic building.	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics Claremont</b>	% of development progress achieved against the defined scope of work Detailed designs are to be completed approved by the client department to be at 40% development progress by end of the financial year..	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: Ennerdale</b>	% of development progress achieved against the defined scope of work that includes completion and handover of the clinic building.	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: River Park</b>	% of development progress achieved against the defined scope of work that includes completion and handover of the clinic building.	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: Ebony Park (Concept Design)</b>	% of development progress achieved against the defined scope of work by the end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: Esselen Street</b>	% of development progress achieved against the defined scope of work that includes a phase of construction for the clinic building	Cumulative development progress targets are set for each quarter
			<b>CoJ Clinics: Florida (Concept Design)</b>	% of development progress achieved against the defined scope of work by the end of the financial year.	Target date is set for approval of designs
			<b>Golden Harvest Rehabilitation Centre</b>	% of development progress achieved against the defined scope of work that includes a phase of construction for the rehabilitation centre	Cumulative development progress targets are set for each quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Sol Plaatjie</b>	% of development progress achieved against the defined scope of works which include Construction of Bulk Roads & Stormwater and Internal Roads & Stormwater	Cumulative development progress targets are set for each quarter
			<b>Langlaagte Pharmacy Depot</b>	% of development progress achieved against the defined scope of work including upgrading of the Langlaagte Pharmacy Depot and associated offices to facilitate improved distribution of supplies to the City's Clinics. Design and layout of Pharmacy Depot, construction of buildings to be at 65% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
	· Promote economic empowerment through the structuring and procurement of JDA developments.	Programme 3: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 3 construction contracts	Number of individuals employed on construction projects in Programme 3	Cumulative employment targets are set for each quarter based on 8 jobs per R' million spent
			BBBEE expenditure share as a % of total capex in Programme 3	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority through Programme 3 contracts in the same time period	% per quarter in Quarterly reports and % per year in Annual report
			SMME expenditure share as a % of total Capex in Programme 3	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant through Programme 3 contracts in the same time period	% per quarter in Quarterly reports and % per year in Annual report
			Of which: Jozi@Work SMME expenditure share as a % of total Capex	5% of expenditure attributed to Jozi@Work SMME companies as verified by CSA	% per quarter in Quarterly reports and % per year in Annual report
	· Support productive development partnerships and co-operation	Programme 3: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in the GMS Priority Areas	% of positive and neutral media reports out of the total number of media reports on GMS priority development areas	Annual target reported every quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	between all stakeholders in these areas.		Number of property developments facilitated by JDA in GMS priority areas including	Completion of urban management plan for WSSD in Kliptown	Completion target date is set for report

**Table 3.2 Targets**

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Capital expenditure for Programme 3</i>	% of capital budget spent	100%	6%	14%	50%	100%
<i>Development progress per project</i>	% development progress against planned works					
	<b>Kliptown Precinct Re-Development (Phase 2)</b>	100%	10%	20%	30%	100%
	<b>Diepsloot Development Ingonyama Road Upgrade (Phase 2)</b>	100%	10%	20%	100%	100%
	<b>Diepsloot Development Ingonyama Road Upgrade (Phase 3)</b>	100%	0%	0%	100%	100%
	<b>Alexandra Automotive Industrial Park</b>	100%	10%	20%	50%	100%
	<b>Cosmo City Fire Station</b>	100%	10%	20%	40%	100%
	<b>CoJ Clinics: Protea South</b>	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health).			
	<b>Stretford New Library</b>	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Community Development).			
	<b>Diepsloot Community Centre</b>	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (ComDev)			

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Lehae New Library	100%	10%	20%	60%	100%
	Rabie Ridge Multi-Purpose Centre	100%	10%	20%	60%	100%
	CoJ Clinics: New Turffontein	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health)			
	CoJ Clinics: Zandspruit	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health)			
	CoJ Clinics: Noordgesig	100%	10%	20%	40%	100%
	CoJ Clinics: Orchards	100%	10%	20%	60%	100%
	CoJ Clinics: Parkhurst	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Health)			
	CoJ Clinics: Westbury	100%	10%	20%	65%	100%
	CoJ Clinics Claremont	100%	10%	20%	40%	100%
	CoJ Clinics: Ennerdale	100%	10%	20%	100%	100%
	CoJ Clinics: River Park	100%	10%	20%	85%	100%
	CoJ Clinics: Ebony Park (Concept Design)	100%	10%	20%	20%	100%

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	CoJ Clinics: Esselen Street	100%	10%	20%	70%	100%
	CoJ Clinics: Florida (Concept Design)	100%	10%	20%	20%	100%
	Golden Harvest Rehabilitation Centre	100%	10%	20%	25%	100%
	Sol Plaatjie	100%	10%	20%	40%	100%
	Langlaagte Pharmacy Depot	100%	10%	20%	35%	100%
Programme 3: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 3 construction contracts	1856	8 jobs per R'm capex. Estimate based on cash flow projection = 112	8 jobs per R'm capex. Estimate based on cash flow projection = 260	8 jobs per R'm capex. Estimate based on cash flow projection = 929	8 jobs per R'm capex. Estimate based on cash flow projection = 1856
	BBBEE expenditure share as a % of total capex in Programme 3	100%	103%	100%	100%	100%
	SMME expenditure share as a % of total Capex in Programme 3	30%	44%	30%	30%	30%
	Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%	5%	5%
Programme 3: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in the GMS Priority Areas	90%	100%	90%	90%	90%
	Number of property developments facilitated by JDA in GMS priority areas including	1	0	0	0	1

## PROGRAMME 4 GREENWAYS

**Table 4.1 KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 4: Greenways	<ul style="list-style-type: none"> <li>Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.</li> <li>Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.</li> </ul>	Capital expenditure for Programme 4	% of capital budget spent	% of capital budget spent on all projects allocated to Programme 4 as determined by the list of projects and budgets allocated to them in the mid-year budget adjustment	Cumulative expenditure targets are set for each quarter
		Development Progress Per Project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
			Phase 1C Section 15 Phase 1	% of development progress achieved against the defined scope of work that includes Phase 1: dedicated bus way on Louis Botha Avenue to be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			Phase 1C Section 15 Phase 2	% of development progress achieved against the defined scope of work that includes Phase 2: dedicated bus way on Louis Botha Avenue to be at 60% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 1)	KPI removed	Project completed in 2014/15



IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	·Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships.		<b>Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 2)</b>	% of development progress achieved against the defined scope of work that includes the completion of NMT infrastructure and public environment upgrading in Alexandra to be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Phase 1C Section 8C (Alex to Sandton)</b>	% of development progress achieved against the defined scope of work that includes the design of dedicated bus way between Alex and Sandton to be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Phase 1C Sandton CBD Loop</b>	% of development progress achieved against the defined scope of work that includes the design of dedicated bus way in the Sandton CBD to be at 50% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Phase 1A NMT Station Precincts (Phase 1)</b>	KPI removed	Orlando East, Noordgesig and Boomtown station precincts were completed in 2014/15
			<b>Phase 1A NMT Station Precincts (Thokoza Park NMT)</b>	% of development progress achieved against the defined scope of work that includes the design and implementation of NMT infrastructure in Thokoza Park.	Cumulative development progress targets are set for each quarter
			<b>Phase 1A NMT Station Precincts (Basothong and Mavumbi)</b>	% of development progress achieved against the defined scope of work that includes the design and implementation of NMT infrastructure between Basothong and Mavumbi.	Cumulative development progress targets are set for each quarter
			<b>Edith Cavell BRT Pavement Strengthening</b>	KPI removed	Project not funded by the Client Department (Transport)

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Phase 1A NMT Feeder Routes (Phase 1)</b>	% of development progress achieved against the defined scope of work that includes the design of NMT infrastructure in Soweto to be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Phase 1C Great Walk NMT (Section 15H)</b>	% of development progress achieved against the defined scope of work that includes the design of NMT infrastructure between Alex and Sandton to be at 100% of the development progress target	Cumulative development progress targets are set for each quarter
			<b>Alex Spur and Great Walk Pedestrian Bridge (Section 15I - Phase 1)</b>	% of development progress achieved against the defined scope of work that includes the design of upgraded roads in Alex and a new pedestrian bridge across the M1 to be at 50% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Section 1B Road Rea Vaya BRT Road Rehabilitation (Klipspruit Valley) (Concept Design)<sup>36</sup></b>	% of development progress achieved against the defined scope of work to repair flooding damage on Klipspruit Valley Road.	Cumulative development progress targets are set for each quarter
			<b>Section 2 Road Widening</b>	KPI removed	Project completed in 2014/5
			<b>Upgrading of Jukskei Bridge NMT links</b>	KPI removed	Project not funded by the Client Department (Transport)

<sup>36</sup> To include field investigation, geotechnical investigations and concept design

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period	
			Phase 1B Station Precincts	KPI removed	Project completed in 2014/5	
			Phase 1C Stations Precinct	% of development progress achieved against the defined scope of work that includes the design of stations on Trunk Route 1C along Louis Botha.	Cumulative development progress targets are set for each quarter	
			Station Signage	KPI removed	Project completed in 2014/5	
			Selby Bus Depots: City	% of development progress achieved against the defined scope of work that includes the acquisition of land and detailed design for the City Depot.	Cumulative development progress targets are set for each quarter	
			BRT Land Acquisition <sup>37</sup>	Number of purchase agreements on allocated transactions and commitment of allocated budget for Road sections and Bus Depots for 2015/16 developments only (target of 8 Properties)	Cumulative targets are set for each quarter	
			Bus Depots: Alex Layover Facility	KPI removed	Project placed on hold by the Client Department (Transport)	
			Bus Depots: Midrand / Ivory Park <sup>38</sup>	% of development progress achieved against the defined scope of work that includes the land acquisition, due-diligence, and field investigations and finalise concept design for a depot in	Cumulative development progress targets are set for each quarter	

<sup>37</sup> Was previously referred to as Bus Depots: Land Acquisition

<sup>38</sup> The KPI Description is Bus Depots: Midrand / Ivory Park, the KPI target is defined as Bus Depots: Midrand

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
				Midrand/ Ivory Park.	
			Watt Street Interchange <sup>39</sup>	KPI removed	Project placed on hold by the Client Department (Transport)
			Ghandi Square Interchange	KPI removed	Project not funded by the Client Department (Transport)
			Greenstone Terminal	KPI removed	Project not funded by the Client Department (Transport)
			Emthonjeni Terminal (Concept and Detailed Design) <sup>40</sup>	% of development progress achieved against the defined scope of the Emthonjeni Terminus.	Cumulative development progress targets are set for each quarter
			Station ITS	KPI removed	Project not funded by the Client Department (Transport)
			Phase 1A and B Retrofit	% of development progress achieved against the defined scope of work of retrofitting of infrastructure and systems into the existing stations to be at 100% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
	· Promote economic empowerment through the	Programme 4: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 4 construction contracts	Number of individuals employed on construction projects in Programme 4	Cumulative employment targets are set for each quarter based on 8 jobs per R' million spent

<sup>39</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and was being implemented from July 2016 for on behalf of the Client Department by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Watt Street interchange project had changed and based on a lack of National Government funding and a decision by Executive Head of Transport the JDA would no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

<sup>40</sup> Includes Traffic Study and Field Investigations

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	structuring and procurement of JDA developments.		BBBEE expenditure share as a % of total capex in Programme 4	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority through Programme 4 contracts in the same time period	% per quarter in Quarterly reports and % per year in Annual report
			SMME expenditure share as a % of total Capex in Programme 4	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant through Programme 4 contracts in the same time period	% per quarter in Quarterly reports and % per year in Annual report
			Of which: Jozi@Work SMME expenditure share as a % of total Capex	% of expenditure attributed to Jozi@Work SMME companies as verified by CSA appointed by CoJ or JDA in accordance with Jozi@Work principles.	% per quarter in Quarterly reports and % per year in Annual report
	· Support productive development partnerships and co-operation between all stakeholders in these areas.	Programme 4: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA Rea Vaya construction work	% of positive and neutral media reports out of the total number of media reports on Rea Vaya infrastructure and the JDA	Annual target reported every quarter
		Programme 4: Productive Development Partnerships	Number of property developments facilitated by the JDA at Rea Vaya Stations	KPI removed as Watt Street Interchange Project not funded by the Client Department (Transport) <sup>41</sup>	Completion target date is set for Mayoral committee report

**Table 4.2 Additional Projects: KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
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<sup>41</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and was being implemented from July 2016 for on behalf of the Client Department by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Watt Street interchange project had changed and based on a lack of National Government funding and a decision by Executive Head of Transport the JDA would no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 4: Greenways	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Development Progress Per Project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
	· Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.		Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 3) (concept design)	% of development progress achieved against the defined scope of work of NMT infrastructure and public environment upgrading in Alexandra.	Cumulative development progress targets are set for each quarter
			Phase 1C Section 8A (M1 Flyover Bridge)	% of development progress achieved against the defined scope of work of a phase of dedicated bus way between Alex and Sandton to be at 60% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			Phase 1C Section 8B (Sandspruit River Bridge Widening)	% of development progress achieved against the defined scope of work of a phase of dedicated bus way between Sandspruit River Bridge and Katherine Street to be at 70% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			Phase 1A NMT Feeder Routes (Phase 2) (concept and detailed design)	% of development progress achieved against the defined scope of work of NMT infrastructure in Soweto by end of the financial year.	Cumulative development progress targets are set for each quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Bus Depots: BooySENS Layover Buildings</b>	% of development progress achieved against the defined scope of work that includes the design and construction of a depot in BooySENS Layover Buildings.	Cumulative development progress targets are set for each quarter
			<b>Park Station to Doornfontein Cycle Lanes</b>	% of development progress achieved against the defined scope of work of cycle lanes and pedestrian links between Park Station and Doornfontein	Cumulative development progress targets are set for each quarter
			<b>Alex Loop BRT</b>	% of development progress achieved against the defined scope of work that includes the professional team appointment, field investigation, traffic impact assessment and concept design for the implementation of BRT along Lenin Drive into London Drive, and back to Louis Botha Avenue to interface with the Section 15 operations.	Cumulative development progress targets are set for each quarter
			<b>Auckland Park Station Precinct NMT</b>	% of development progress achieved against the defined scope of work that includes the professional team appointment, field investigation, traffic impact assessment, concept and detailed designs to be at 52% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Development progress for Rosebank NMT and Cycle Lanes</b>	% of development progress achieved against the defined scope of work that includes the professional team appointment, field investigation, traffic study and concept design for the implementation of NMT in Rosebank, Melrose Arch, Parkview and Sandton.	Cumulative development progress targets are set for each quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Langlaagte to UJ NMT</b>	% of development progress achieved against the defined scope of work that includes the design and 100% construction of pedestrian walkways, stormwater upgrades, resurfacing, cycle lanes and landscaping in Langlaagte to UJ.	Cumulative development progress targets are set for each quarter
			<b>Drieziek Public Transport Facility</b>	% of development progress achieved against the defined scope of work that includes the design of a Public Transport Facility	Cumulative development progress targets are set for each quarter
			<b>Phase 1C Soft &amp; Hard Landscaping (Detailed Design)</b>	% of development progress achieved against the defined scope of work soft and hard landscaping works between the Great Walk, Louis Botha Avenue and Katherine Drive by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Hillbrow to Park Station (Detailed Design)</b>	% of development progress achieved against the defined scope of work of bicycle lanes, soft and hard landscaping in Hillbrow to Park Station by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Rea Vaya BRT Section 9 (Sandton to Randburg) (Concept Design<sup>42</sup>)</b>	% of development progress achieved against the defined scope of work for the implementation of BRT lanes in Sandton and Randburg	Cumulative development progress targets are set for each quarter

<sup>42</sup> Includes traffic study, topographic survey, Geotech and concept design



IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
			<b>Lakeview and Klipspruit Valley NMT (Phase 1)</b>	% of development progress achieved against the defined scope of work that includes the design of cycle lanes, sidewalks, soft and hard landscaping in Lakeview and Klipspruit Valley BRT station	Cumulative development progress targets are set for each quarter
			<b>Lakeview and Klipspruit Valley NMT (Phase 2)</b>	% of development progress achieved against the defined scope of work that includes the design of cycle lanes, soft and hard landscaping along Mofolo Central, Dube and Orlando West in Soweto	Cumulative development progress targets are set for each quarter
			<b>Section 15J: Watt Road Work</b>	% of development progress achieved against the defined scope of work of road works, pavement in Louis Botha to be at 40% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter
			<b>Phase 1C Trunk Route TIA</b>	% of development progress achieved against the defined scope of work that includes the traffic impact assessments in Phase 1C Trunk Route.	Cumulative development progress targets are set for each quarter
			<b>Avalon Bus Depot</b>	% of development progress achieved against the defined scope of work that includes the land acquisition, due-diligence, and field investigations and finalise concept designs for a depot in Avalon.	Cumulative development progress targets are set for each quarter

**Table 4.3 Targets**

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Capital expenditure for Programme 4	% of capital budget spent	100%	2%	40%	50%	100%
Development Progress Per Project	% development progress against planned works					
	Phase 1C Section 15 (Phase 1)	100%	49%	60%	90%	100%
	Phase 1C Section 15 (Phase 2)	100%	8%	20%	50%	100%
	Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 1)	-	KPI removed. Project completed in 2014/15			
	Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 2)	100%	0%	0%	100%	100%
	Phase 1C Section 8C (Alex to Sandton)	100%	0%	0%	65%	100%
	Phase 1C Sandton CBD Loop	100%	0%	0%	20%	100%
	Phase 1A NMT Station Precincts (Phase 1)	-	KPI removed. Orlando East, Noordgesig and Boomtown station precincts completed in 2014/15			
	Phase 1A NMT Station Precincts (Thokoza Park NMT)	100%	-	-	90%	100%
	Phase 1A NMT Station Precincts (Basothong and Mavumbi)	100%	-	-	90%	100%
	Edith Cavell BRT Pavement Strengthening	-	KPI removed. Project not implemented as project funding was withdrawn and reallocated to Section 15 Phase 2 Project by Client Department (Transport)			
	Phase 1A NMT Feeder Routes (Phase 1)	100%	0%	40%	60%	100%
	Phase 1C Great Walk NMT(Section 15H)	100%	0%	0%	100%	100%
	Phase 1C Alex Spur and Great Walk Pedestrian Bridge (Section 15I - Phase 1)	100%	0%	0%	45%	100%

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Section 1B Road Rea Vaya BRT Road Rehabilitation (Klipspruit Valley) (Concept Design) <sup>43</sup>	100%	0%	0%	10%	100%
	Section 2 Road Widening	-	KPI removed. Project completed in 2014/15			
	Upgrading of Jukskei Bridge NMT links	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Transport)			
	Phase 1B Station Precincts	-	KPI removed. Project completed in 2014/15			
	Phase 1C Stations Precinct	100%	0%	0%	10%	100%
	Station Signage	-	KPI removed. Project completed in 2014/15			
	Selby Bus Depots : City	100%	0%	0%	10%	100%
	BRT Land Acquisition <sup>44</sup>	8	0	2	2	4
	Bus Depots: Alex Layover Facility		KPI removed. Project not implemented as project was placed on hold and no funding was made available in 2015/16 by Client Department (Transport)			
	Bus Depots: Midrand <sup>45</sup>	100%	0%	0%	10%	100%

<sup>43</sup> To include field investigation, geotechnical investigations and concept design

<sup>44</sup> Was previously referred to as Bus Depots: Land Acquisition

<sup>45</sup> The KPI Description is Bus Depots: Midrand / Ivory Park, the KPI target is defined as Bus Depots: Midrand

KPA	KPI	Annual Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Watt Street Interchange <sup>46</sup>		KPI removed. Project not implemented as project was placed on hold and no funding was made available in 2015/16 by Client Department (Transport)			
	Ghandi Square Interchange	Project was cancelled by client department, because CoJ Transportation is also implementing the same project				
	Greenstone Terminal	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Transport)			
	Emthonjeni Terminal (Concept and Detailed Design) <sup>47</sup>	100%	0%	0%	5%	100%
	Phase 1A and B Station Retrofit	100%	0%	0%	0%	100%
	Station ITS	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Transport)			
Programme 4: Economic Empowerment	Number of Short Term EPWP job opportunities created through Programme 4 construction contracts	8 jobs per R' m capex. Estimate based on cash flow projection = 3458	70	8 jobs per R' m capex. Estimate based on cash flow projection = 1383	8 jobs per R' m capex. Estimate based on cash flow projection = 1729	8 jobs per R' m capex. Estimate based on cash flow projection = 3458
	BBBEE expenditure share as a % of total Capex in Programme 4	100%	121%	100%	100%	100%
	SMME expenditure share as a % of total Capex in Programme 4	30%	26%	30%	30%	30%
	Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%	5%	5%
Programme 4: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA Rea Vaya construction work	90%	92%	90%	90%	90%
	Number of property developments facilitated by the JDA at Rea Vaya Stations	-	KPI removed. Project not implemented as project was withdrawn and no funding was made available in 2015/16 by Client Department (Transport)			

<sup>46</sup> This project was reflected on the JDA scorecard at the beginning of the financial year and was being implemented from July 2016 for on behalf of the Client Department by the JDA hence expenditure on the project was incurred. However by the Mid-term adjustment period, circumstance surrounding the Watt Street interchange project had changed and based on a lack of National Government funding and a decision by Executive Head of Transport the JDA would no longer be required to manage the project, hence it was removed by from the adjusted scorecard.

<sup>47</sup> Includes Traffic Study and Field Investigations

**Table 4.4 Additional Projects: Targets**

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Development Progress per Project</i>	% development progress against planned works:					
	Phase 1C NMT Alexandra Public Environment Urban Upgrade (Phase 3) (concept design)	100%	-	-	5%	100%
	Phase 1C Section 8A (M1 Flyover Bridge)	100%	-	-	50%	100%
	Phase 1C Section 8B (Sandspruit River Bridge Widening)	100%	-	-	60%	100%
	Phase 1A NMT Feeder Routes (Phase 2) (Concept and detailed design)	100%	-	-	10%	100%
	Bus Depots: Booyssens Layover Buildings	100%	-	-	100%	100%
	Park Station to Doornfontein Cycle Lanes	100%	0%	0%	90%	100%
	Alex BRT Loop	100%	0%	0%	5%	100%
	Auckland Park Station Precinct NMT	100%	0%	0%	40%	100%
	Rosebank NMT and Cycle Lanes	100%	-	-	5%	100%
	Langlaagte to UJ NTM	100%	-	-	90%	100%
	Drieziek Public Transport Facility	100%	-	-	5%	100%
	Phase 1C Soft & Hard Landscaping (Detailed Design)	100%	-	-	10%	100%
	Hillbrow to Park Station (Detailed Design)	100%	-	-	90%	100%

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Rea Vaya BRT Section 9 (Sandton to Randburg) (Concept Design <sup>48</sup> )	100%	-	-	6%	100%
	Lakeview and Klipspruit Valley NMT (Phase 1)	100%	-	-	90%	100%
	Lakeview and Klipspruit Valley NMT (Phase 2)	100%	-	-	90%	100%
	Section 15J: Watt Road Work	100%	-	-	25%	100%
	Phase 1C Trunk Route TIA	100%	-	-	90%	100%
	Avalon Bus Depot	100%	-	-	10%	100%

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<sup>48</sup> Includes traffic study, topographic survey, Geotech and concept design

## PROGRAMME 5 ALEXANDRA RENEWAL PROGRAMME

Table 5.1 KPI Definitions

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 5: Alexandra Renewal Programme	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Capital expenditure for Programme 5	% of capital budget spent	% of capital budget spent on all projects allocated to Programme 5 as determined by the list of projects and budgets allocated to them in the mid-year budget adjustment	Cumulative expenditure targets are set for each quarter
		Development Progress Per Project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
	· Promote economic growth by creating efficient and competitive business environments that cluster industries and		<b>4th Avenue Clinic Alexandra</b>	% of development progress achieved against the defined scope of work that includes upgrading and extension of existing primary health care clinic in 4th Avenue.	Cumulative development progress targets are set for each quarter
			<b>Banakekeleni Hospice Clinic</b>	% of development progress achieved against the defined scope of work that includes construction of a new hospice clinic in Alexandra.	Cumulative development progress targets are set for each quarter
			<b>Jukskei River Environmental Upgrading and Rehabilitation Alexandra</b>	KPI removed	Project to be funded in 2017/18
			<b>Old Ikage Housing Development Alexandra</b>	% of development progress achieved against the defined scope of work that includes development of approximately 85 housing units in Old Alexandra	Cumulative development progress targets are set for each quarter

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	functions in these areas.				
			Peoples' Court, 7th Avenue (Old Alexandra) New Heritage ALEXANDRA EXT.4 E Ward	KPI removed	Project to be funded in 2017/18
	·Turn around declining investment trends in these areas by upgrading public space, generating shared visions for future development, and encouraging urban management partnerships. ·Develop local economic potential in marginalised areas to promote access to jobs and markets.		Purchase of new Refuse Bins for New Housing on Far East Bank	100% achievement of target will be reported when 680 new refuse bins have been purchased.	Cumulative construction targets are set for each quarter
			Thoko Mngoma Clinic Marlboro	% of development progress achieved against the defined scope of work that includes upgrading of existing primary health care clinic.	Cumulative construction targets are set for each quarter
			Development of Open Space - Maputo Park (detailed design and contractor appointment)	% of development progress achieved against the defined scope of work of development of open space for recreation by end of the financial year.	Cumulative construction targets are set for each quarter
			Pedestrian Bridge Vincent Tshabalala Road (concept design)	% of development progress achieved against the defined scope of work by end of the financial year.	Cumulative construction targets are set for each quarter
		Alexandra Heritage Centre	% of development progress achieved against the defined scope of work that includes repairs and upgrading to complete the Alex Heritage Centre.	Cumulative development progress targets are set for each quarter	
	Alfred Nzo Road Widening	KPI removed	Project to be funded in 2017/18		
	Pan Africa Linear Markets	% of development progress achieved against the defined scope of work that includes design and a first phase of	Cumulative development progress targets are set for each quarter		



IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
	Promote economic empowerment through the structuring and procurement of JDA developments.	Programme 5: Economic Empowerment		construction of linear markets in Alex by the end of the financial year.	
			Number of Short Term EPWP job opportunities created through Programme 5 construction contracts	Number of individuals employed on construction projects in Programme 5	Cumulative employment targets are set for each quarter based on 8 jobs per R' million spent.
			BBBEE expenditure share as a % of total capex	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority	% per quarter in Quarterly reports and % per year in Annual report
			SMME expenditure share as a % of total Capex	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant	% per quarter in Quarterly reports and % per year in Annual report
			Of which: Jozi@Work SMME expenditure share as a % of total Capex	5% of expenditure attributed to Jozi@Work SMME companies as verified by CSA	% per quarter in Quarterly reports and % per year in Annual report
	Support productive development partnerships and co-operation between all stakeholders in these areas.	Programme 5: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in Alex	% of positive and neutral media reports out of the total number of media reports on Alex	Annual target reported every quarter
			Number of property developments facilitated by JDA in Alex	Completion of urban management plan for Great Walk	Completion target date is set for report

**Table 5.2 Additional Projects: KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 5: Alexandra Renewal Programme	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Development Progress Per Project	% development progress against planned works	Development progress is defined by the following progress categories and milestones: (A) Concept designs approved by Exco = 10%; (B) Detailed designs approved by Exco = 25% cumulative progress; (C) Construction tender awarded = 40% cumulative progress; and (D) 50% of construction in complete on site = 70% (E) Construction completed= 100% cumulative result when planned works as defined by Bill of Quantities and construction contract are completed.	Cumulative development progress targets are set for each quarter
	· Promote economic growth by creating efficient and competitive business environments that cluster industries and functions in these areas.		<b>Ivory Park Linear Market</b>	% of development progress achieved against the defined scope of work that includes a phase of construction of informal trading stalls in Ivory Park to be at 60% development progress by end of the financial year.	Cumulative development progress targets are set for each quarter

**Table 5.3 Targets**

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Capital expenditure for Programme 5	% of capital budget spent	100%	2%	20%	50%	100%
Development Progress Per Project	% development progress against planned works					
	<b>4th Avenue Clinic Alexandra</b>	100%	10%	20%	35%	100%
	<b>Banakekeleni Hospice Clinic</b>	100%	10%	20%	0%	100%
	<b>Jukskei River Environmental Upgrading and Rehabilitation Alexandra</b>		KPI removed. To be funded in 2017/18			
	<b>Old Ikage Housing Development Alexandra</b>	100%	10%	20%	60%	100%

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Programme 5: Economic Empowerment						
	Peoples' Court, 7th Avenue (Old Alexandra) New Heritage Facility		KPI removed. To be funded in 2016/17			
	Purchase of new Refuse Bins for New Housing on Far East Bank	100%	50%	70%	100%	100%
	Thoko Mngoma Clinic Marlboro	100%	10%	20%	35%	100%
	Development of Open Space - Maputo Park (detailed design and contractor appointment)	100%	10%	20%	35%	100%
	Pedestrian Bridge Vincent Tshabalala Road (concept design)	100%	10%	20%	25%	100%
	Alexandra Heritage Centre	100%	10%	20%	80%	100%
	Alfred Nzo Road Widening		KPI removed. To be funded in 2016/17			
	Pan Africa Linear Markets	100%	10%	20%	40%	100%
	Number of Short Term EPWP job opportunities created through Programme 5 construction contracts	160	0	0	0	8 jobs per R' m capex. Estimate based on cash flow projection = 160
	BBBEE expenditure share as a % of total Capex	100%	-	100%	100%	100%
	SMME expenditure share as a % of total Capex	30%	-	30%	30%	30%
	Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%	5%	5%
Programme 5: Productive Development Partnerships	Positive media reports as a % of the total number of media reports on the JDA in Alex	90%	0%	90%	90%	90%
	Number of property developments facilitated by JDA in Alex	1	0	0	0	1

**Table 5.4 Additional Projects: Targets**

KPA	KPI	2015/16 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Development Progress per Project</i>	% development progress against planned works:					
	<b>Ivory Park Linear Markets</b>	<b>100%</b>	10%	20%	40%	100%

## PROGRAMME 6:

**Table 6.1 KPI Definitions**

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
Programme 6: Administration and Management	Promote economic empowerment through the structuring and procurement of JDA developments.	Human Resources Management	% Black employees	Number of black employees out of total employees as a %	Target is set for the year and performance is reported quarterly
			% Female employees	Number of female employees out of total employees as a %	Target is set for the year and performance is reported quarterly
			% Black Female senior managers	Number of black female senior managers out of total senior managers (SDMs and Functional Exco) as a %	Target is set for the year and performance is reported quarterly
			Staff Turnover	Number of terminations (for any reason) out of total number of employees on 1 July as a %	Target is set for the year and performance is reported quarterly
			HIV voluntary testing opportunities	Number of HIV voluntary testing opportunities offered to employees	Target is set for the year and performance is reported quarterly
			Compliance with Occupational Health and Safety Act at the Bus Factory	% compliance with OHS Act as assessed by an independent consultant	Target is set for the year and performance is reported quarterly
			Investment in training	% of payroll spent on training and staff development	Target is set for the year and performance is reported quarterly
		Financial Management and	Unqualified audit reports	Audit opinion expressed by Auditor-General must be unqualified or better	This is an annual result

IDP Programme	JDA Programme Objective	KPA	KPI	KPI Definition	Reporting Period
		Corporate Governance	Overspending against operating budget	% of Opex that exceeds approved budget	Target is set for the year and performance is reported quarterly
			IT network availability - external	% of time that external network is available to employees	Target is set for the year and performance is reported quarterly
		Programme 6: Economic Development	BBBEE expenditure share as a % of total Opex	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority	Target is set for the year and performance is reported quarterly
			SMME expenditure share as a % of Total Opex	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant	Target is set for the year and performance is reported quarterly
			Of which: Jozi@Work SMME expenditure share as a % of total contracted services and repairs and maintenance	5% of expenditure attributed to Jozi@Work SMME companies as verified by CSA	Target is set for the year and performance is reported quarterly
		Programme 6: Operating Expenditure	Programme 6: % of operating budget spent (cumulative for the year to date)	% of operating expenditure against approved expenditure target	Cumulative operating expenditure targets are set for each quarter

**Table 6.2 Targets**

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
Programme 6: Human Resources	% Black employees	80%	94%	80%	80%	80%
	% Female employees	45%	52%	45%	45%	45%
	% Black Female senior managers	35%	33%	35%	35%	35%

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
	Staff Turnover	<10%	3%	5%	7%	<10%
	HIV voluntary testing opportunities	2	0	1	0	1
	Compliance with Occupational Health and Safety Act at the Bus Factory	80%	80%	80%	80%	80%
	Investment in training	3%	3%	3%	3%	3%
<i>Programme 6: Financial management and corporate governance</i>	Unqualified audit reports	Clean Audit				
	Overspending against operating budget	0%	0%	0%	0%	0%
	IT network availability – external	100%	100%	98%	98%	100%
<i>Programme 6: Economic Development</i>	BBBEE expenditure share as a % of total Opex	100%	110%	100%	100%	100%
	SMME expenditure share as a % of total Opex	40%	9%	40%	40%	40%
	Of which: Jozi@Work SMME expenditure share as a % of total contracted services and repairs and maintenance	10%	-	0%	10%	10%
Programme 6: Operating expenditure	Programme 6: % of operating budget spent (cumulative for the year to date)	100%	12%	30%	60%	100%

## PROGRAMME 7 DEVELOPMENT FACILITATION

Table 7.1 KPI Definitions

IDP Programme	JDA Strategic Objectives	KPA	KPI	KPI Definition	Reporting Period
<i>Programme 7: Development Facilitation</i>	· Restructure the city by developing defined, strategic geographic areas around the city and the movement corridors that link them.	Capital Expenditure Project for Programme 7	% of Capital Budget Spent	% of Capital Budget Spent	Cumulative expenditure targets are set for each quarter
		Implementation Progress Per Project	<b>Corridors of Freedom: Naming and Branding</b>	% of Development progress achieved against the defined scope of work that includes naming and branding for each of the 3 Corridors of Freedom.	Cumulative development progress targets are set for each quarter
			<b>Corridors of Freedom: Strategic Area Frameworks (phase 1)</b>	Phase 1 - Strategic Area Framework per Corridor was completed in 2014/15	Target was achieved in 2014/15
			<b>Corridors of Freedom: Heritage Plans (phase 2)</b>	Phase 2 - 1 Heritage Plan per Corridor to be completed. 100% Achievement of target will be reported when these plans are approved by the client department.	Target is achieved when plans are approved by client department
	· Promote economic empowerment through the structuring and procurement of JDA developments.	Programme 7: Economic Empowerment	BBBEE expenditure share as a % of total capex	% of expenditure attributed to BBBEE Level as certified by an accredited certification authority through Programme 7.	% per quarter in Quarterly reports and % per year in Annual report
			SMME expenditure share as a % of total Capex	% of expenditure attributed to SMME companies as certified by an accredited authority or confirmed by a certified accountant.	% per quarter in Quarterly reports and % per year in Annual report
			Of which: Jozi@Work SMME expenditure share as a % of total Capex	5% of expenditure attributed to Jozi@Work SMME companies as verified by CSA.	% per quarter in Quarterly reports and % per year in Annual report



**Table 7.2 Targets**

KPA	KPI	Annual Target 2015/16	Q1 Target	Q2 Target	Q3 Target	Q4 Target
<i>Capital Expenditure Project for Programme 7</i>	% of Capital Budget Spent	100%	0%	0%	30%	100%
<i>Development Progress Per Project</i>	% development progress against planned works					
	<b>Corridors of Freedom: Naming and Branding</b>	100%	20%	40%	60%	100%
	<b>Corridors of Freedom: Strategic Area Frameworks (phase 1)</b>	-	KPI removed. Project was completed in 2014.15			
	<b>Corridors of Freedom: Heritage Plans (phase 2)</b>	100%	20%	40%	60%	100%
<i>Programme 7: Economic Empowerment</i>	BBBEE expenditure share as a % of total Capex	100%	-	100%	100%	100%
	SMME expenditure share as a % of total Capex	30%	-	30%	30%	30%
	Of which: Jozi@Work SMME expenditure share as a % of total Capex	5%	-	5%	5%	5%

## Annexure 6: Acronyms and Abbreviations

ACRONYM	DEFINITION
<b>BBBEE</b>	Broad-based black economic empowerment
<b>BRT</b>	Bus rapid transit
<b>CBD</b>	Central business district
<b>CPC</b>	Community Participation Consultant
<b>CJMM</b>	City of Johannesburg Metropolitan Municipality
<b>CoJ</b>	City of Johannesburg
<b>CSA</b>	Capability support agents
<b>EPWP</b>	Expanded Public Works Programme
<b>GDS</b>	Growth and Development Strategy Joburg 2040
<b>GMS</b>	Growth Management Strategy
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>ICT</b>	Information and communication technology
<b>IT</b>	Information technology
<b>King III</b>	King Report on Governance for South Africa and the King Code of Governance Principles
<b>KPI</b>	Key performance indicator
<b>MFMA</b>	Municipal Finance Management Act (2003)
<b>NMT</b>	Non-motorised transit
<b>SMME</b>	Small, medium and micro enterprise