

2023/24 QUARTER 2 REPORT



a world class African city



Joburg|Market



TABLED IN TERMS OF SECTION 121 OF THE MUNICIPAL FINANCE MANAGEMENT ACT,
56 OF 2003 AND SECTION 46 OF THE MUNICIPAL SYSTEMS ACT 32 OF 2000.

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Joburg Market



@MarketJoburg



@JoburgMarket



JOBURG MARKET: SECOND QUARTER REPORT 2023/24

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<p><u>Lylame Ndlovu</u> Signature Chief Executive Officer/MD</p> 	<p>25 January 2024</p>
<p><u>Enos Sithole</u> Signature Chairperson of the Board</p> 	<p>25 January 2024</p>
<p><u>Nomoya Mnisi</u> Signature MMC: Economic Development</p> 	<p>25 January 2024</p>

Salient Features

11 000 buyers daily

Assist in food security

Transparency

Wholesalers/Retailers/Informal traders

Adequate fresh produce availability daily at market tested prices

Trading conducted on a central trading system and trading data available to all

Around the clock operations

Ensuring that fresh produce move through distribution channels as early as possible



ESTABLISHING THE SMART MARKET

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GLOSSARY OF TERMS

ACRONYM	DETAIL
AGM	Annual General Meeting
ARC	Audit and Risk Committee
AGSA	Auditor-General of South Africa
BBBEE	Broad Based Black Economic Empowerment
CAPEX	Capital Expenditure
CEO	Chief Executive Officer
CFO	Chief Financial Officer
COJ	City of Johannesburg
COBIT	Control Objectives for information Technology
CUM	Cumulatively
DED	Department of Economic Development
DOH	Department of Health
DOL	Department of Labour
DSD	Department of Social Development – City of Johannesburg
EAP	Employee Assistance Programme
EISD	Environment and Infrastructure Services Department
EPWP	Expanded Public Works Programme
GAP	Good Agricultural Practice
GDS	Growth and Development Strategy
GRAS	Group Risk and Assurance Services
HR	Human Resources
IDP	Integrated Development Plan
ITL	Information Technology Infrastructure Library
JDA	Joburg Development Agency
JM	Joburg Market
KPA	Key Performance Area
KPI	Key Performance Indicator
LLF	Local Labour Forum
MFMA	Municipal Finance Management Act, 56 of 2003
MMC	Member of the Mayoral Committee
MSA	Municipal Systems Act
NAMC	National Agricultural Marketing Council
NDAFF	National Department of Agriculture, Forestry and Fisheries
NDP	National Development Plan
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OPEX	Operational Expenditure
REMSEC	Remuneration & Social and Ethics Committee
RSA	Republic of South Africa
SADC	South African Development Community
SANAS	South African National Accreditation System
SCM	Supply Chain Management
SDA	Service Delivery Agreement
SDBIP	Service Delivery and Budget Implementation Plan
SMME	Small Medium and Micro Enterprise
SLA	Service Level Agreement
SPS	Sales Processing System
UIFW	Unauthorised, irregular, fruitless and wasteful expenditure
YTD	Year to date

CHAPTER ONE: LEADERSHIP AND CORPORATE PROFILE

Section 1: Chairperson's Foreword

I am thrilled to join the esteemed Joburg Market as the newly appointed Non-Executive Director and Chairman. As we navigate the fresh produce industry's dynamic landscape, I am excited about the opportunities and challenges that lie ahead.

The Quarter 2 Report underscores the dedication to excellence that permeates every aspect of Joburg Market's operations. Achieving a total turnover of R5.9 billion, exceeding budget expectations by 19.0%, is a testament to the market's robust financial performance.

Despite challenges such as adverse weather conditions and power outages, Joburg Market's commitment to unwavering service delivery and continuous improvement remains resolute.

I would like to assure all stakeholders that the recent changes in the Board composition will not impact our daily operations. The focus remains on resilience, adaptability, and ensuring uninterrupted operations, as demonstrated by initiatives like the Gen-Farm construction and diversification of power sources.

The Board's commitment to stabilising the Market is evidence through the recent appointment of the Chief Risk Officer and the ongoing process to appoint a Chief Operations Officer. These additions reinforce our commitment to navigating challenges with a resilient and forward-looking approach.

I look forward to working closely with the Board members, executive management, and stakeholders at Joburg Market. Together, we will continue to drive success, foster innovation, and ensure the realization of the Smart Market project, aligning with our commitment to modernization.

In conclusion, I express my gratitude for the warm welcome, and I am eager to contribute to Joburg Market's continued success. With the dedication of our talented team and the support of our stakeholders, I am confident that we will achieve even greater milestones in the upcoming quarter.

Mr Enos Foster Sithole

Chairperson: JM Board of Directors

Section 2: Acting Chief Executive Officer's Report

I am pleased to present Joburg Market's Quarter 2 Report, covering the period ending December 31, 2023. Amidst the dynamic landscape of the fresh produce industry, our dedication to excellence is evident through robust financial performance and unwavering service delivery.

Joburg Market exceeded expectations, achieving a total turnover of R5.9 billion, surpassing the budget by an impressive 19.0%. Despite challenges such as adverse weather conditions and power outages, our commitment to service delivery remains unwavering.



The Food Quality Assurance Department, even in the face of a power outage, ensured the maintenance of high produce quality. Our pledge to continuous improvement in food safety measures remains steadfast. Substantial progress in infrastructure projects, including 97% completion of main building upgrades, 90% installation of the sprinkler system, and 60% progress in alternative energy systems, underscores our commitment to modernization.

The recent power outage posed a challenge, but our swift response and mitigation strategies demonstrate our dedication to addressing unforeseen disruptions. Initiatives such as the Gen-Farm construction, diversification of power sources, and proactive measures during energy disruptions highlight our commitment to ensuring uninterrupted operations.

Recognizing the pivotal role that stability at the executive management level plays in shaping our organizational trajectory, we are pleased to announce the successful appointment of the Chief Risk Officer. This addition strengthens our risk management framework, ensuring resilience and a forward-looking approach to challenges.

The ongoing process to appoint a Chief Operations Officer underscores our commitment to securing top-tier talent to lead our operational endeavors. The Chief Operations Officer will play a central role in steering the day-to-day activities of Joburg Market.

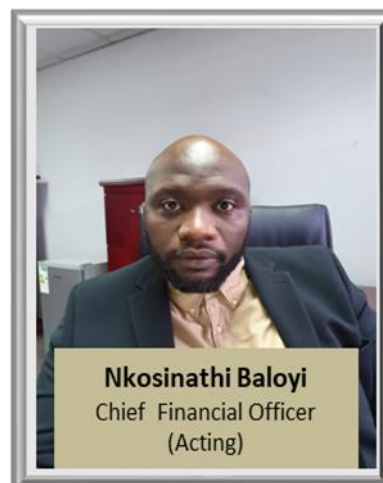
I am delighted to welcome Mr. Enos Sithole as the new Non-Executive Director and Chairman of Joburg Market. His wealth of experience will undoubtedly contribute to our continued success.

In conclusion, Joburg Market's Quarter 2 performance reflects resilience, adaptability, and an unwavering commitment to continuous improvement. We express gratitude to our stakeholders for their support and anticipate achieving even greater milestones in the upcoming quarter.

Ms Lulama Ndlovu
Chief Executive Officer (Acting)

Section 3: Chief Financial Officer's Report

The JM's overall financial forecasted performance for the period ending 31 December 2023 was in main above expectation. The revenue and surplus are ahead of budget and key liquidity ratios are above the norm. Overall performance is better than the budgeted amount. Overall performance is better than the budgeted amount. The magnitude of JM's position in the fresh produce industry is illustrated by the total turnover generated by the market of R5.9 billion which is R1.3b (19.0%) above budget of R4.9 billion. The cash position of the company increased due to the strong growth in working capital that was not used towards investing activities namely capital expenditure including savings in expenditure. In addition, JM has cash coverage of 630 days well above the norm of >45 days. The entity has sufficient cash flow to sustain the business going forward.



3 Months Financial Position of the Company:

- The net increase of R72.2m (12.5%) in PPE is due to the addition of projects and depreciation for the period.
- Intangible assets decreased by a total of R83k (15.9%) due to asset amortisation for the period.
- Intangible assets decreased by a total of R99.6k (19.1%) due to asset amortisation for the period.
- Cash and cash equivalents increased by R75.8m (16.0%) due an increase in JM cash reserve and buyer's deposit.
- Loan to shareholder increased by R27.7m (12.6%) due to a positive inflow of funds in the second quarter.

3 Months Operating Expenditure of the Company

Total operating expenditure for Q2 is recorded at R255.9m (excluding internal charges) compared to the budget of R259.5m. This represents an under budgeted of R3.7m (1.4%) when compared to the budget.

- Personnel costs expenditure is over budget by R7.8m (7.6%) due to the filling of critical vacancies.

- Operations Expenditure is below budget by R12.2m (15.5%) due to expenditure due to under spending on cleansing contracts.
- Information Technology is R3.9m compared to the budget of R6.6m which represents an under budget by R2.6m (40.0%) due to the Microsoft license project not implemented. The procurement of Microsoft licenses is centralized through City Group Information Technology.
- Marketing cost is over budget by R1.4m (85.9%) due to an increase of donation parcels and indigents projects requests.
- Finance and administration is under-budget by R 2.1m (14.5%) due to reclassification of management consulting expenditure.
- Capex spend as at 31 December 2023 is recorded at R101.3m against a budget of 150.3m this present 67.4% actual expenditure against the approved budget. JM has activated all procurement processes in respect of capex projects and we do anticipate that the expenditure from quarter 3 will ensure we achieve 100% by the end of the financial year.

The focus for the second quarter is as follows:

- To accelerate repair and maintenance expenditure.
- To streamline the turnaround times and business processes at SCM in order fast track appointments of service providers.
- To improve internal controls.

Mr Nkosinathi Baloyi
Chief Financial Officer

Section 4: Corporate Profile and Overview of the Entity

The company owes its origins to the establishment of the fresh produce market at the Market Square in central Johannesburg in 1887 where three thousand people congregated to trade in fresh produce. As the City grew, so did the trading of fresh produce.

This prompted the building of a new facility in Newtown in 1913. In that year alone, the Market achieved an annual turnover of R1.5 million. The premises in Newtown became increasingly too small to handle trading. By 1974, the market had relocated to its current location in City Deep, in the South of Johannesburg.



Figure 1: Picture Showing the Origins of the Joburg Market

The political transition in South Africa saw Joburg Market (JM) emerge as a private company, wholly-owned by the City of Johannesburg Metropolitan Municipality (CoJ). In 2000, the company was converted into a State-Owned Company (SOC), in line with the implementation of the Companies Act of South Africa (Act No. 71 of 2008).

The Company is required to comply with various legislative provisions that set out the statutory requirements, among them being the Companies Act, the Municipal Systems Act and the Municipal Finance Management Act 56 of 2003.

The Company is the biggest fresh produce market in Africa in terms of the volume of fresh produce traded and has a staff complement of 412 employees. JM trading facilities are provided to farmers across South Africa and beyond, whose produce is marketed and exposed daily to thousands of buyers. JM, Market Agents and Tenants operating within JM's facilities create thousands of jobs across the agricultural value chain.

JM plays a critical role of determining the price for the fresh produce industry in South Africa since it represents 46.3% market share of the National Fresh Produce Markets. The Company is the only fresh produce market with a South African National Accreditation System (SANAS TO532) accredited laboratory to ensure compliance to and maintenance of food safety standards.

Section 5: Strategic Objectives

5.1: Strategy Overview

The key elements of the JM Strategy are captured below;

Mandate

The Company is mandated to manage and operate a market facility through the provision of fresh produce market facilities and complementary services to the fresh produce industry. This will include the following;

- Provision and management of facilities and services for the distribution of fresh produce;
- Ensuring a competitive, resilient and sustainable fresh produce trading platform;
- Enabling market access, sustainable availability and affordable fresh produce;
- Enabling food security and safety and compliance to food quality standards.

Strategic intent

Our strategic intent of creating sustainable fresh produce market services for all key stakeholders remains paramount. This is underpinned by JM's vision to be people centric through a smart fresh produce hub that is globally competitive and enabling local job creation and transformation. We strive towards client-centric market management and service standards execution. It is our conviction to be a good corporate citizen and have a leading footprint in the SADC region.

Strategic thrusts

- Targeted transformation in the value chain;
- Ground-breaking ICT underpinning SMART Market;
- Innovation and automation;
- Service delivery excellence;
- Engaged and skilled staff core;
- Caring corporate citizen;
- Brand Power.

Vision

A smart fresh produce trading hub that is globally competitive.

Mission

To provide the best environment that supports competitive trade and effective distribution of fresh produce products in Southern Africa.

Values

The values of the Joburg Market are the following;

- Transparency;
- Service excellence;
- Integrity;
- Innovation;
- Accountability

The Joburg Market Value proposition

One-Stop Shop that enables a competitive, transparent, accessible trading ecosystem, immediate cash-flow improvement for our clients and fair prices for consumers.

The components of the Joburg Market winning value proposition

The offering

- Biggest Real estate and trading platform closer to the consumers:
- Largest assortment of fresh produce sold on a transparent platform to the mutual benefit of both buyer and seller.

The marketplace

- A municipal fresh produce market;
- Serving as central market place with a local and international footprint

The needs of Joburg Market clients

- Value for money services.
- Price setting mechanisms – Price barometer.
- Complimentary service.
- Hassle free buying.

Technologies / Digital Transformation.

The company will pursue a host of technologies to effectively deliver the services required by its clients which includes the following:

- Block chain;
- Internet applications;
- Cloud computing;
- Big data relating to trading and research;
- Digital marketing;
- Applications of artificial intelligence and augmented reality.

Key success drivers:

Towards the target state

In achieving the target JM will actively pursue efforts to ensure the cultural characteristics required to deliver the strategy. The latter are listed as follows:

- Being Customer Centric;
- Pursue agility;
- Operate collaboratively;
- Drive the company with commercial savvy; and,
- Be bold.

Towards being an employer of choice

It is the aim of JM to implement the following practices towards ensuring a capable workforce:

- Competency management;
- Performance management;
- Leadership management;
- Mentoring;
- Reassignment; succession planning,
- Reward and recognition;
- Vigilant recruitment.

Connecting Strategy and execution

The operating model

Joburg Market is a Municipal Owned Entity (MOE) and was established as part of the EGOLI 2000 restructuring process executed by the City of Johannesburg. Originally the JM was registered as a Section 17D company under the then Companies Act 61 of 73. JM is thus an alternative service delivery mechanism as contemplated under Municipal Systems Act 32 of 2000.

JM provides trading facilities and support services in order to facilitate the effective trading of fresh fruit and vegetables. Often described as the stock exchange for fresh produce – the specialised central trading system of the company renders the service through unique systems and processes.

Producers, buyers and other intermediaries depend on the accuracy and real time availability of trading results to enable critical decision making.

The JM operating model will link strategy and execution. The operating model will focus in 5 areas:

- Structure – These include our services and market segments;
- Accountability – JM will seamlessly align roles and responsibilities;
- Governance – It is a key principle that JM will provide fast decisions on critical issues;
- Ways of working – A culture of collaboration will be pursued;
- Capabilities – JM will ensure proper integration of people, processes and technology.

Execution at optimum levels of service delivery

JM will ensure effective and efficient execution of strategy through the following components:

- Implementation through a roadmap
- Delivery of a suitable capability-building plan;
- Demonstration and reinforcement of important behaviours;
- Implementation of performance management and feedback loops;
- Mitigation of all risks

The Joburg Market value for market services model and suite

The Joburg Market renders a number of services in tandem to ensure a seamless and effective fresh produce market service to farmers and buyers. The core activities of JM are those indicated under the illustration below which relates to the **Facilitation of fresh produce trading through SMART management practices**. The remainder of the illustration highlights those support services required to ensure a successful JM.

Farmers in particular regard a fresh produce market when it has the reputation of being Clean, Safe and Effective in rendering its services. The integrated JM model is illustrated below:

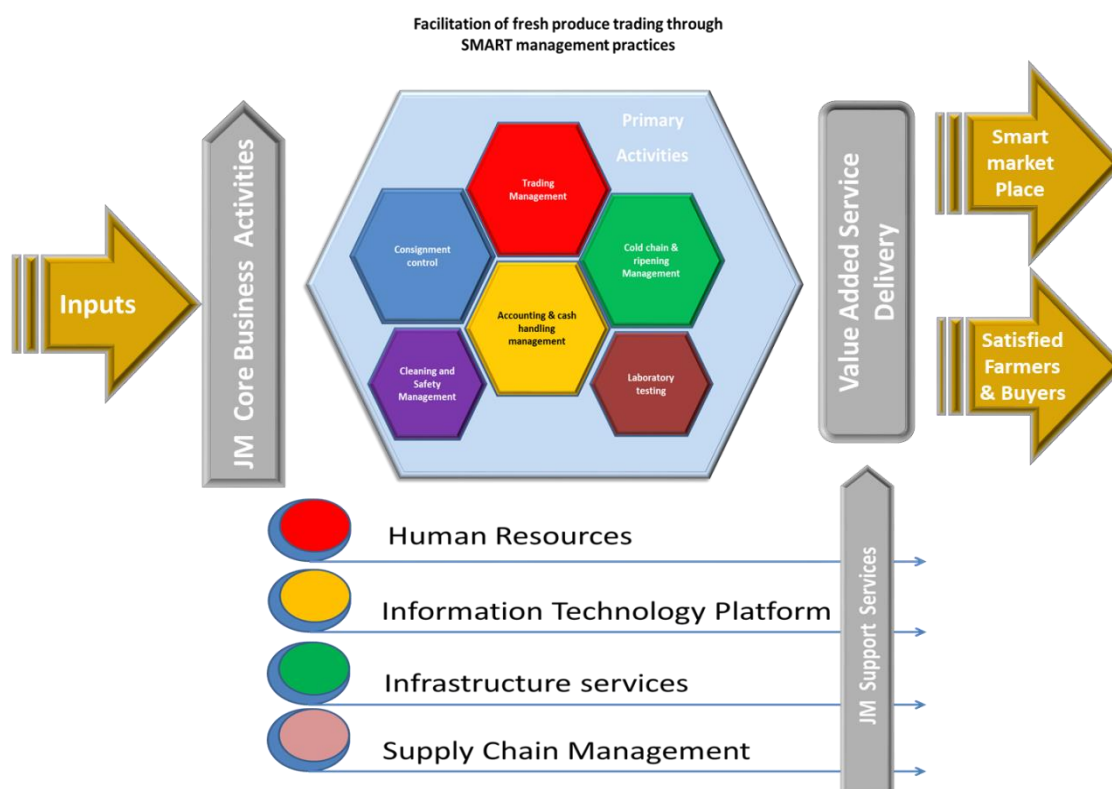


Figure 2: The Joburg Market Value For Market Services Model and Suite

To be successful JM needs to render these services in a sequence each day which will enable seamless delivery of services to its key stakeholders. In particular the trading platform must be regarded as transparent and trustworthy. Each JM function contributes to this overall objective and service failures in even the smallest service section will impede on this objective.

The JM service delivery team tagline: “Value for money market services delivered!”

Central Trading System

SPS is a sophisticated purpose designed electronic trading methodology. Every element of the consignment is captured and managed through this system and consequently is every function performed by the agent and the market authority is conducted in real time mode.

Financial Services

JM conducts a dedicated financial accounting service inclusive of a cashiering system linked to a trust account system which enables the payment of proceeds on every consignment the following working day. This is the fastest payment system in the industry and offers multiple advantages to producers.

Assurance Systems

Consignment control ensures that each and every consignment to its finest details was accurately captured and traded through the system. This enables a trustworthy trading history and return for the farmer.

Laboratory and inspection services ensure that the farmer do not suffer undue losses of stock, etc. JM has invested in the development of a SANAS accredited laboratory.

Dispute resolution is conducted and the Market Director (CEO) may order compensation of an aggrieved party.

Market Hygiene Services

Cleansing and sanitization of the market facilities ensure a safe food centre serving both the supply and demand side of market clients.

Security Services

Physical security services supported by a most modern and extended CCTV system ensures protection of the entire market facility serving farmers especially overnight when their consignments are delivered to the market.

Trade Support Services

Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.

Repairs & Maintenance Services

Cold stores and ripening facilities are maintained and upgraded to ensure the availability of these vital support services to farmers and their agents.

Marketing Services

Marketing services and agri-business support services are conducted to inform farmers and attract buyers to the market to ensure a vibrant market place to the advantage of producers.

Agri-Business Services

Farmer Development programmes which also includes the dissemination of market trading results on which South African Producers can always rely.

Figure 3: The Suite of Market Services

1.2. Strategic Objectives

Joburg Market seeks to be the best fresh produce market operating in the space of the facilitation of fresh produce trading. We fully understand our business model and the Industry in which we are embedded and will strive to be successful in our endeavours by pursuing the JM strategic objectives in alignment with the four long term strategic outcomes of the CoJ. The latter outcomes are linked to the JM objectives and are tabled below.

GDS 2040 OUTCOMES	JM STRATEGIC OBJECTIVES
1. Provide a resilient, liveable and sustainable urban environment - underpinned by smart infrastructure supportive of a low-carbon economy	1. To Provide a Resilient and Premier Trading Facility by June 2027;
2. Improved quality of life and development-driven resilience for all.	1. To practice focused stakeholder engagements.
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.	1. To Support CoJ Indigent Programmes; 2. To Provide Market Access to Farmers and Buyers for the Distribution of Fresh Produce; 3. To Expand Opportunities to Historically Disadvantaged Groups;
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region	1. To Ensure Compliance with Regulatory Framework; 2. To ensure adherence to Good Governance Practices 3. Introduction of Innovative Solutions and Technologies to Improve Efficiencies

Table 1: JM Strategic Objectives Aligned To the GDS

1.6.4 Strategic Programmes and projects

In the short to medium term, the Joburg Market is pursuing the implementation of the following strategic programmes and Projects;

- Market Recapitalisation
- Market Repairs and Maintenance
- Business Continuity
- Integrated Waste Management
- Surveillance and Enforcement
- Food Safety Measures
- Food Support
- Stakeholder Support
- SMME Support
- EPWP
- Learnerships
- Systems and Procedures
- Revenue Enhancement

- Legal and Legislation Compliance
- Digital Transformation
- Systems and Procedures
- Green Economy initiatives

The envisaged restoration of the business growth of JM is now in year 2

JM is intending to restore its business turnover growth rate to 12% per annum. The latter represents the high road scenario and represents the required interventions to restore JM as a growing market.

The low road scenario will imply continuous decline and the eventual non-viable of JM as a business.

The middle road scenario is also representative of a static growth situation and the interventions will not be able to sustain JM as a leading market in the fresh produce industry.

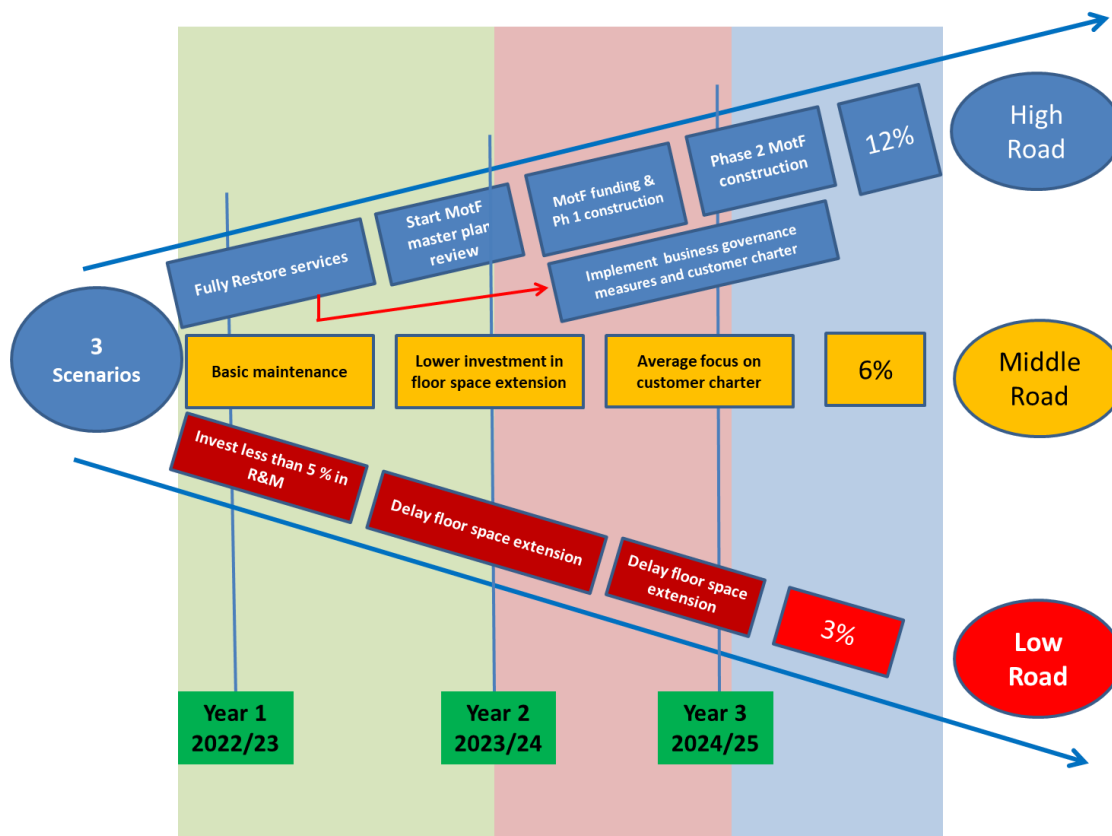


Figure 4: High Road Scenario and Represents the Required Interventions to Restore JM as a Growing Market

Implementation of the Smart Market of the Future as the basis for 12% and higher growth in business turnover.

Following the approval of a grant allocation by the shareholder JM was able to *inter alia* conduct a masterplan review and costing model. During this planning cycle JM was also able to appoint a transaction advisor to assist in the funding model of the MotF. The objective is to renew and extend the 3 trading halls as well as the refurbishment of the cold storage with new technologies.

The implementation of the Smart Market holds a number of benefits for JM. Such benefits will include the following:

Current Market	Smart Market
Need to expand Food Safety measures in place	New measures for quality assurance and inspection to also ensure traceability.
Cold Chain Management not fully developed and no HACCP or related accreditation	Adherence to Cold Chain Management practices, ensure best practice compliance and meet local and international standards and HACCP accreditation.
Large retail buyers are moving away due to aging infrastructure and lack of downstream beneficiation capabilities.	Fully integrated value chain that will attract large retail buyers back to the Market, with fully developed agro-processing capabilities.
Platforms too small, no dedicated areas	State of the art platform loading/offloading areas
Challenges with different truck designs as a result of old design and aging infrastructure	Dedicated off-loading area for both rear and side loaders (dock Levellers)
Receiving and dispatch to be controlled	Dispatch of produce from dedicated bays
Operational and safety challenges around forklifts and people	Automated and integrated systems that supports public safety and occupational health compliance
Increase BEE Agents and emerging farmers	Increase Floor Space by 30% to 40% and introduce new BEE agent targets.
Current Market standalone within the City Deep Area	MotF will be integrated into the largest inland port area development within City Deep

Table 2: Market of the Future Benefits for JM.

The Smart Market of the Future concept design is illustrated below:

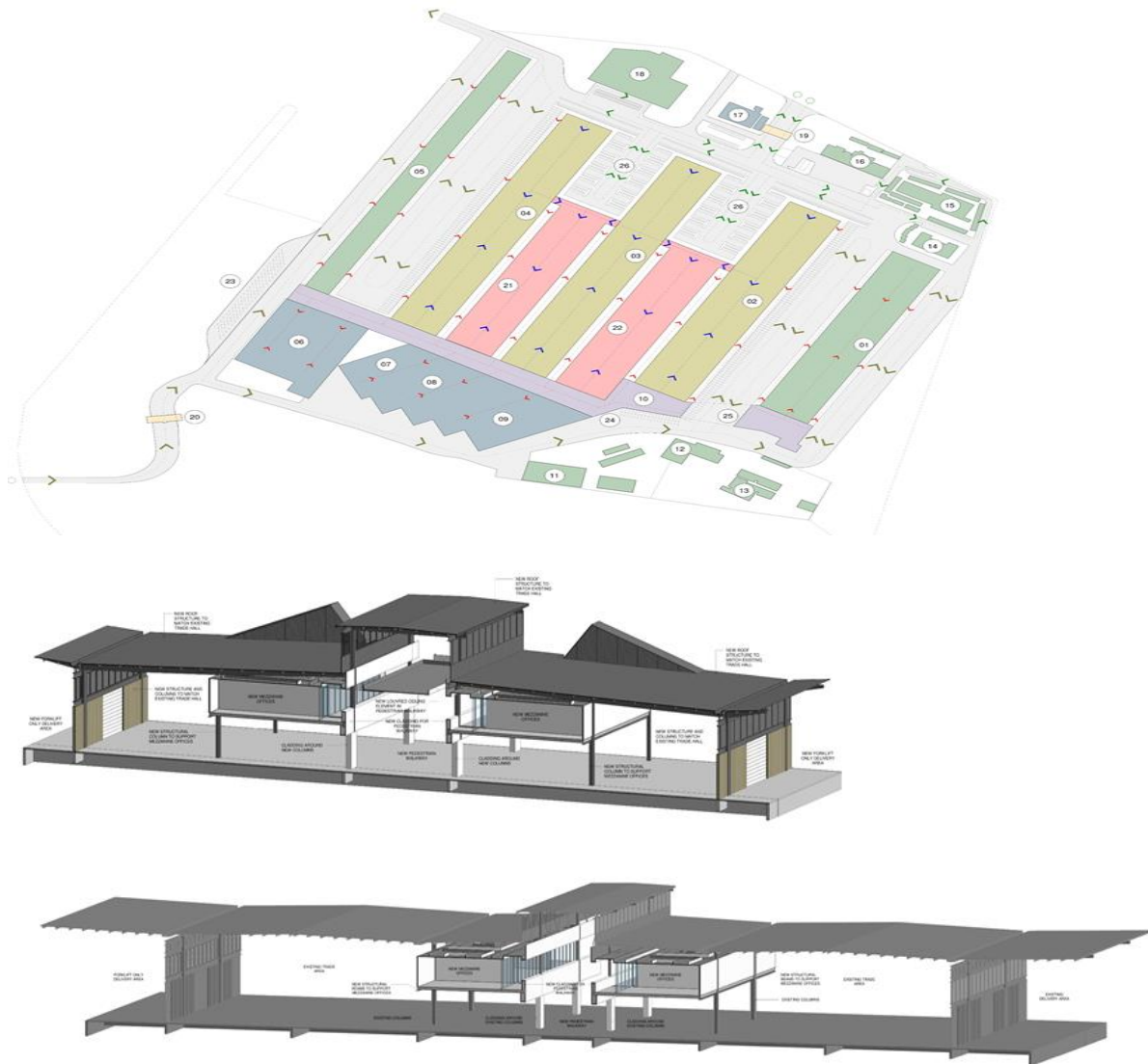


Figure 5: Smart Market of the Future Concept Design

The timeline below indicate the critical deliverables of the Smart Market Project:

ROAD MAP					
DEPARTMENT: CORE OPS		JULY – 2023	YEAR 1	YEAR 2	YEAR 3
NO	ACTION ITEM	INITIATION	2023/24	2024/25	2025/26
1	Study and concept design	Approval of concept and legislative formalities	-Final design -Specification -Consultation with stakeholders -Funding options -Board and Council approval -Funding institution due diligence -Phase 1 works: Cold stores -Phase 2 works site preparations	Phase 2: Construction works	Phase 3: Construction works

Table 3: Smart Market of the Future Roadmap

CHAPTER TWO: GOVERNANCE

Section 1: Composition, Key Activities & Remuneration of Board of Directors

1.1: Board of Directors

The JM Board of Directors consists of executive and non-executive directors. The Board provides quarterly, bi-annual and annual reports on its performance and service delivery to the CoJ as prescribed in the SDA, the MFMA and the MSA.

The Board remains accountable to the CoJ Metropolitan Municipality as the entity's sole shareholder.

An SDA concluded in accordance with provisions of the Municipal Systems Act, governs the shareholder relationship between the parties. The roles of Chairperson and Chief Executive Officer are separate and the Chairperson of the Board has no executive functions. Board members have unfettered access to information relating to the Company through the Company Secretary, who is responsible for providing advisory services to the Board and its Committees on statutory, compliance, regulatory and other related matters.

The Board or any of its members may, in appropriate circumstances and at the expense of the company, obtain the advice of independent professionals. The term of office of the non-executive directors is subject to review at the Annual General Meeting (AGM) and/or any Special General Meeting called by the Shareholder.

1.2: Company Directors

List of non-executive directors and independent audit committee members appointed and/or reappointed per the resolutions of the CoJ annual general meeting held on 1 March 2023 in the prior financial year (FY 2023/24). There have been no changes to the Board of Directors in the current financial year (FY 2023/24).

A change in Chairpersonship was made through a resolution taken by the CoJ on 28 November 2023 to retire Mr. Zamikhaya Xalisa as Chairperson of the Joburg Market Board and further resolved to rotate Mr. Enos Sithole from the JPC Board of directors to the JM Board of Directors and appoint him as Chairperson. There have been no changes to the other members of the JM Board of Directors in Q2 of the current financial year (FY2023/24).

NO	MEMBERS	RE/APPOINTMENT DATE
1.	Mr. Zamikhaya Wauthas Xalisa (Chairperson)	1 March 2023 and retired on 28 November 2023
2.	Mr. Enos Foster Sithole (Chairperson)	28 November 2023
3.	Ms. Vuyiswa Gumede	1 March 2023
4.	Mr. Odirile Ronnie Bolokang	1 March 2023

NO	MEMBERS	RE/APPOINTMENT DATE
5.	Mr. Ratshibvumo Timothy Ramabulana	1 March 2023
6.	Mr. Godfrey Coffee Tsotetsi	1 March 2023
7.	Ms. Nomveliso Mpongo	1 March 2023
8.	Ms. Manini Amelia Vilakazi	1 March 2023
9.	Mr. Fuzile Chris Vondo	1 March 2023
10.	Ms. Noxolo Siviwe Sicam	1 March 2023
11.	Ms. Mantombi Nkosi	1 March 2023
12.	Mr. Musa Shibambu	1 March 2023
13.	Mr. Grant Son (IAC)	1 March 2023
14.	Mr. Motsamai Israel Karedi (IAC)	1 March 2023
15.	Mr. Gift Netshidzati (IAC)	1 March 2023
16.	Mr. Thulani Ngcobo (IAC) *	1 March 2023

Table 4: Board of Directors for (FY 2023/24).

Section 2: Corporate Governance

2.1 Governance Report

The Company Secretary has certified in terms of Section 88(2) (e) of the Companies Act no. 71 of 2008 that all statutory returns have been submitted to the Registrar of Companies.

The attendance at the Board Meetings and Committee Meetings for the 2023/24 financial year is recorded as follows:

Members	Board Meeting		Audit and Risk Committee		Strategy & Operations Committee		Remuneration, Social Ethics & Transformation Committee		
	A	B	A	B	A	B	A	B	
Board Members	Mr. Sithole E (Chairperson)	1	5			0	2		
	Mr. Xalisa Z (Chairperson) #	4	5			2	2		
	Ms. Gumede V	5	5			-	-	2	2
	Mr. Bolokang O \$	4	5			2	2		
	Mr. Ramabulana R \$	3	5					2	2
	Mr. Tsotetsi G	5	5			2	2		
	Ms. Mpongo N	5	5					2	2
	Ms. Vilakazi M	5	5					2	2
	Mr. Vondo C	5	5	4	4	2	2		
	Ms. Sicam N	5	5			2	2		
	Ms. Nkosi M	5	5	4	4				
	Mr. Shibambu M	5	5					2	2
	Mr. Son G (IAC)			3	4				
	Mr. Karedi M (IAC)			4	4				
	Mr. Netshidzati G (IAC)			3	4				
Mr. Ngcobo T (IAC) *									
Ms. Williams L (Chief Executive Officer)**	-	-	-	-	-	-	-	-	

Executives	Ms. Ndlovu L (Acting Chief Executive Officer from 01 July 2023)	4	5	3	4	2	2	1	2
	Mr. Baloyi N (Chief Financial Officer)	3	5	4	4	2	2	1	2

Table 5: Cumulative Schedule of Committee & Board Meetings for the Financial Year as at 31 December 2023

Key:

Meetings attended by the Board and its Committees

A = Meetings attended

B = Number of meetings scheduled

IAC = Independent Audit Committee Member

§ = Employees of state - therefore do not qualify for standard remuneration, however may claim reimbursement for travel expenses upon submission.

* = Resigned

** = Special Leave

*** = Removed

= Retired

2.2 Board Committees

The Joburg Market has the following board committees which were approved by the Shareholder:

- Audit and Risk Committee (ARC);
- Remuneration, Social, Ethics and Transformation Committee (REMSET); and
- Strategy and Operations Committee (SOC).

2.3: Remuneration Policy

Directors and officers are remunerated in accordance with the company's remuneration policy which is informed by directives issued by the Shareholder. The policy is executed in full compliance with legislative imperatives regulating remuneration in the local government environment. Remuneration of non-executive directors and independent audit committee members is determined in terms of the CoJ Group Remuneration Policy.

2.3.1 Remuneration of Non-Executive Directors

Member			Q2	YTD
1	Mr. E Sithole	Chairperson	16 000,00	16 000,00
2	Mr. Z. Xalisa #	Chairperson	28 000,00	60 000,00
3	Ms. V. Gumede	Member	34 000,00	104 000,00
4	Mr. O. Bolokang §	Member	-	-
5	Mr. R. Ramabulana §	Member	-	-
6	Mr. G. Tsotetsi	Member	32 000,00	76 000,00
7	Ms. N. Mpongo	Member	32 000,00	76 000,00
8	Ms. M. Vilakazi	Member	32 000,00	76 000,00
9	Mr. C. Vondo	Member	50 000,00	112 000,00
10	Ms. N. Sicam	Member	32 000,00	76 000,00

11	Ms. M. Nkosi	Member	44 000,00	158 000,00
12	Mr. M. Shibambu	Member	32 000,00	76 000,00
TOTAL			332 000,00	858 000,00

Table 6: Schedule of the Remuneration of Non-Executive Directors as at 31 December 2023.

Non-Executive Director Remuneration is inclusive of all Board and Board Committee meeting attendances (ordinary, special, recruitment panel and meetings called by the Shareholder).

2.3.2. Remuneration of Independent Audit Committee Members

Member			Q2	YTD
1	Mr. G. Son	IAC	16 000,00	24 000,00
2	Mr. M. Karedi	IAC	24 000,00	40 000,00
3	Mr. G. Netshidzati	IAC	8 000,00	24 000,00
4	Mr. T. Ngcobo *	IAC	-	-
TOTAL			48 000,00	88 000,00

Table 7: Schedule of the Remuneration of Independent Audit Committee Members as at 31 December 2023

2.4. King IV™ Application Register

King IV advocates an outcomes-based approach and defines corporate governance as the exercise of ethical and effective leadership towards the achievement of four governance outcomes. The desired governance outcomes are listed below, together with the practices implemented and progress made towards achieving the 16 principles in meeting those outcomes. It is done on an “apply and explain” basis, as recommended by King IV™.

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
Governance Outcome One: Ethical Culture		
<p>Principle 1: Leadership. The governing body should lead ethically and effectively.</p>	<p>Joburg Market’s board of directors is its governing body. The director’s hold one another accountable for decision-making and behave ethically, as characterised in King IV.</p>	<p>An employee code of conduct policy is in force throughout the Entity. All directors and employees are obligated under the code to act with honesty and integrity and to maintain the highest ethical standards.</p> <p>Declarations of interest are managed in line with the Companies Act 71 of 2008 and directors are required to disclose their shareholdings and additional directorships on an annual basis.</p>
<p>Principle 2: Organisational Ethics. The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.</p>	<p>The board has a fiduciary duty to act in good faith, with due care and diligence and in the best interests of the Entity and its stakeholders. It is the primary body responsible for the corporate governance values of the Entity.</p>	<p>The employee code of conduct sets the minimum standards expected of all employees of the Joburg Market. Furthermore, the market by-laws set the minimum standards expected of the market agents and suppliers of the Joburg Market.</p>
<p>Principle 3: Responsible Corporate Citizenship. The governing body should ensure that the organisation is seen to be a responsible corporate citizen.</p>	<p>The board approves the strategy and priorities of the business as set out in its annual integrated report. Through stakeholder engagement and collaboration, Joburg Market is committed to finding lasting solutions to sustainability challenges.</p> <p>The board, with the support of the Social, Ethics and Transformation Committee oversees and monitors how the Entity’s activities affect its status as a responsible corporate citizen and reports annually on the Entity’s</p>	<p>Integrated Annual Report.</p>

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
	sustainability and transformation activities.	
Governance Outcome Two: Performance and Value Operation		
<p>Principle 4: Strategy and performance. The governing body should appreciate that the organisation’s core purpose, its risks and opportunities, strategy business model, performance and sustainable development are all inseparable elements of the value creation process.</p>	<p>The board informs and approves Joburg Market’s strategy, which is aligned with the mandate of the Shareholder and the value drivers of Joburg Market’s business.</p> <p>The board oversees and monitors management’s implementation of the strategy and business plan on a quarterly basis.</p>	Integrated Annual Report.
<p>Principle 5: Reporting. The governing body should ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation’s performance and its short, medium and long term prospects.</p>	<p>The board, through the Audit Committee, ensures that the necessary controls are in place to ensure and safeguard the integrity of all financial information and reporting documentation. The Entity ensures its financial statements are prepared in accordance with applicable accounting standards and legislative requirements.</p>	<p>Integrated Annual Report. Audited Financial Statements.</p>
Governance Outcome Three: Adequate and Effective Control		
<p>Principle 6: Primary role and responsibilities of the governing body. The governing body should serve as the focal point and custodian of corporate governance in the organisation.</p>	<p>The board meets once a quarter. Should an important matter arise between scheduled meetings, additional meetings are convened once permission is granted by the respective Portfolio MMC.</p>	<p>The board has an approved charter, which it reviews annually. The charter sets out its governance responsibilities, including its role, responsibilities, membership requirements and procedural conduct.</p> <p>Group Shareholder Policy.</p>
<p>Principle 7: Composition of the governing body. The governing body should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities</p>	<p>The shareholder assesses the adequacy of the board’s composition annually to ensure that it is still fit for purpose, has the right balance of skills, experience, diversity, independence and knowledge.</p>	Board Assessments.

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
objectively and effectively.		
<p>Principle 8: Committees of the governing body. The governing body should ensure that its arrangements for delegation within its own structures promote independent judgment and assist with balance of power and the effective discharge of its duties.</p>	<p>Committees are to be established to assist the board in discharging its responsibilities.</p> <p>The committees of the board comprise the Audit and Risk Committee and the Remuneration Committee as well as the Social, Ethics and Transformation Committee</p>	<p>Shareholder Compact.</p> <p>Committee Terms of Reference.</p>
<p>Principle 9: Evaluations of the performance of the governing body. The governing body should ensure that the evaluation of its own performance and that of its committees, its chair and its individual members, support continued improvement in its performance and effectiveness.</p>	<p>The effectiveness of the performance of the board, its committees, individual Non-Executive directors and the Chairperson is assessed annually by the Shareholder.</p>	<p>Board Assessments.</p>
<p>Principle 10: Appointment and delegation of management. The governing body should ensure that the appointment of, and delegation to, management, role clarity and effective exercise of authority and responsibility.</p>	<p>The board plays a role in the appointment and recommendation of the CEO to the Shareholder.</p>	<p>Group Shareholder Policy.</p>
<p>Principle 11: Risk Governance. The governing body should govern risk in a way that supports the organisation in setting and achieving its strategic objectives.</p>	<p>The ARC committee assists the board with the governance of risk. Joburg Market’s enterprise risk management and combined assurance framework, together with other Group policies and procedures inform its risk management culture.</p>	<p>Integrated Annual Report.</p>
<p>Principle 12: Technology and Information Governance. The governing body should govern technology and information in a way that supports the</p>	<p>Information management is an important part of Joburg Market’s business and is essential to the strategy, performance and sustainability of the Group.</p>	<p>ICT Policies.</p> <p>Integrated Annual Report.</p>

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
organisation setting and achieving its strategic objectives.		
<p>Principle 13: Compliance Governance. The governing body should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen.</p>	<p>Joburg Market is committed to conducting its business in compliance with all applicable laws and regulations.</p> <p>Safety, health and environmental laws are all identified as key legal compliance areas and therefore receive the necessary attention on an on-going basis.</p>	<p>Group Policies and Procedures.</p>
<p>Principle 14: Remuneration Governance. The governing body should ensure that the organisation remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.</p>	<p>Independent approval and overseeing of the overall remuneration structure is delegated by the board to the Remuneration Committee.</p>	<p>Committee Terms of Reference.</p>
<p>Principle 15: Assurance. The governing body should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the external reports</p>	<p>The board, supported by the ARC committee, ensures an effective control environment, which supports the integrity of information.</p>	<p>Committee Terms of Reference.</p> <p>Audited Financial Statements.</p> <p>Integrated Annual Report.</p>
Governance Outcome Four: Trust, Good Reputation and Legitimacy		
<p>Principle 16: Stakeholders. In the execution of its governance role and responsibilities, the governing body should adopt a stakeholder inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.</p>	<p>Joburg Market has identified its stakeholder group and actively balances their legitimate and reasonable needs, interests and expectations.</p>	<p>Group Shareholder Policy. Service Delivery Agreement. Shareholder Compact. Union Agreements.</p>
<p>Principle 17: Institutional Investors.</p>	<p>The Joburg Market is a Municipal State Owned Entity</p>	<p>Not Applicable</p>

KING IV PRINCIPLE	REQUIREMENT	CONFIRMATION DOCUMENTATION
The governing body of an institutional investor organisation should ensure that responsible investment is practised by the organisation to promote good governance and the creation of value by the companies in which it invests.	and does not have any institutional investors; as such this principle does not apply.	

Table 8: King VI Application Register

Section 3: High-level Organisational Structure

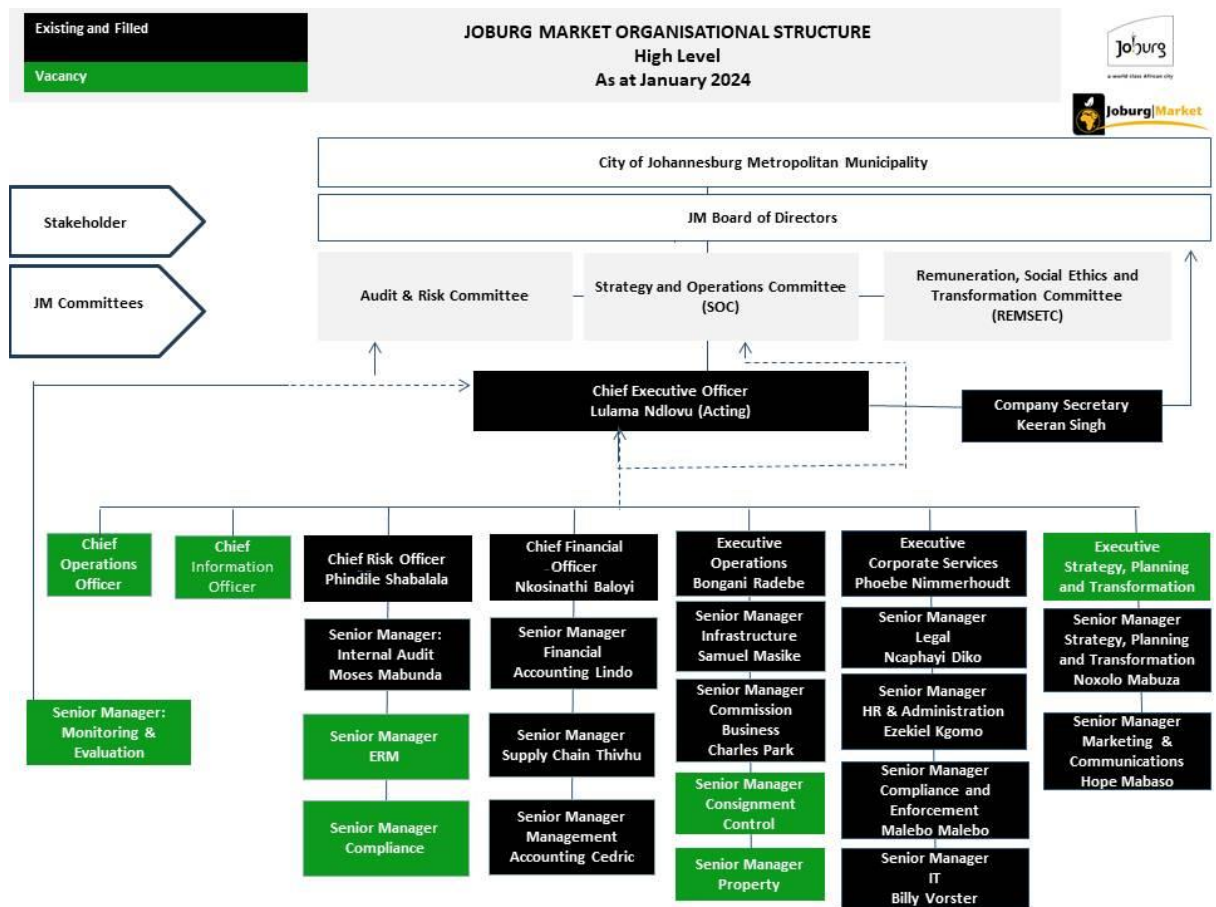


Figure 6: The JM High-Level Organisational Structure.

Section 4: Risk Management

The Risk Management Committee of Joburg Market has adopted an integrated approach to risk management and has therefore adopted the CoJ Group Risk Management Framework and Group Risk Management Policy as approved by Council.

- Joburg Market has developed a draft risk management policy which has been aligned to the CoJ Group Framework will be submitted to Exco and Board for approval;
- Similarly, the Municipal Entity’s Compliance Framework has been aligned to the CoJ Group Compliance.
- A Board and Exco risk evaluation session was held and a strategic risk register was formulated for the 2023/24 financial year. The latter register is attached as annexure 1 to this report.

4.1. Risk Management Policy and Risk Register

Joburg Market has established and maintains a risk management system in accordance with the provisions of the Municipal Finance Management Act, COSO Framework, ISO 31000 and the King IV™ report on Corporate Governance and risk management standards as applicable. JM compliance to the King IV™ principals is tabulated under section 2.6 above.

There is oversight governance and management at Joburg Market which is carried out by the Audit & Risk Management Committee, a sub-committee of the Board of Directors. The Audit & Risk Management Committee (ARC) operates in accordance with approved terms of reference in the Audit and Risk Committee Charter, Framework, and was previously approved by the Audit and Risk Management Committee and Board of Directors.

#	Risk Name	Impact Rating	Likelihood	Inherent Risk	Control Effectiveness	Residual Risk Exposure
1	Inadequate Trading Space	Critical	Almost certain	Very High (25)	Partially Effective	Moderate (10)
2	Failure to keep abreast with technological advancements and trends	Critical	Almost certain	Very High (25)	Partially Effective	Moderate (10)
3	Business Failure	Major	Almost certain	High (20)	Partially Effective	Moderate (8)
4	Fraud and Corruption	Major	Almost certain	High (20)	Partially effective	Moderate (8)
5	Inadequate Stakeholder Engagement	Major	Almost certain	High (20)	Partially effective	Moderate (8)
6	Ineffective HR Governance and Systems	Major	Almost certain	High (20)	Partial effective	Moderate (8)
7	Ineffective Transformation Programmes	Moderate	Almost certain	High (15)	Partially effective	Moderate (8)
8	Governance: Ineffective Leadership in implementing controls	Moderate	Almost certain	High (15)	Effective	Low (3)

Table 9: Extract from 2023/24 JM Strategic Risk Register

JM Risk Appetite & Tolerance Levels

#	Risk Categories	Risk Appetite	Risk Tolerance
1	Fraud and Corruption	Zero	Zero Tolerance
2.	Non Compliance with Supply Chain Management Regulations:	Zero	Low Tolerance
3.	Regulatory Non-compliance	Zero	Low Tolerance
4	Financial Governance/Management risks	Low	Low Tolerance
5.	Financial under performance (% aligned to SDIP annual target)	Approved annual target	Low Tolerance
6	Service delivery and Operational Risks: (organisational performance indicators)	Approved annual Target	Low Tolerance
7	Organisational & governance risks (accountability)	Low	Low Tolerance
8	Information and Communication Technology (ICT) Governance and Delivery	Low	Moderate
9	Financial reporting -Adverse & Disclaimer audit outcome:	Zero	Zero Tolerance
10	Financial reporting –Unqualified audit (with matters of emphasis):	Low	Moderate
11	Non-Financial Reporting (AoPO/ Organisational Performance): Adverse & disclaimer audit outcome	Zero	Zero tolerance
12	Non-Financial Reporting (AoPO/ Organisational Performance): Unqualified audit outcome (with matters of emphasis)	Low	Moderate

Table 10: Risk Tolerance Levels

A detailed Risk Register Q2 performance is attached to the report as Annexure A

Section 5: Anti-Corruption and Fraud Investigations

The Anti-Fraud and Corruption Policy was approved and communicated to all staff in the organisation. The Policy includes procedures on reporting fraud and how to access the tip-off hotline. The Hotline is a 24-hour service centrally managed by CoJ with monthly incident reports sent to the Senior Manager: Internal Audit for follow up.

The fraud hotline is a very useful tool in the fight against theft, bribery, misuse of property/company assets and other unlawful acts. The Hotline facility is available telephonically on 0800 00 25 87. No tip-offs were received from the facility during the period under review.

5.1: Fraud Risk Management / Fraud Prevention

JM's fraud prevention plan is embedded in the entity's approved business plan.

In order to actively mitigate fraud, corruption and theft, the following activities are performed at JM:

- Suspected fraudulent activities are audited by Management, internal audit, Group Forensic Investigation Services (GFIS) and other external service providers.
- Where applicable, cases are subjected to disciplinary and criminal processes. A number of cases are currently at various stages of auditing, investigation and disciplinary processes.
- A Fraud hotline is available and widely publicized in Joburg Market's facilities including the website.
- A Fraud awareness campaign is planned for November annually in order to encourage whistle blowing.
- The entity's exposure to the risk of fraud, corruption, and /or theft is currently medium to low, however the above measures will be kept in place to reduce the risk even further.

Section 6: Compliance with Laws & Regulations

The Board oversees the entity's compliance with applicable laws, rules, codes and standards and this remains an important consideration in all its decision-making processes. Reported incidents of non-compliance with laws and regulations are addressed in accordance with relevant governance prescripts. JM has aligned itself to the CoJ; Group Compliance framework and is submitting its quarter compliance report to the Shareholder as prescribed.

The complete JM King IV™ checklist is published on the JM website, www.joburgmarket.co.za

JM operates within its Delegations of Authority, which is continuously reviewed in line with business and legislative requirements.

ITEM OF NON-COMPLIANCE	NATURE	REMEDIAL ACTION	COMMENTS Q2
UIFW	-UIFW incurred from transversal account between MTC, Group Fleet	JM Finance to mitigate the risk with relevant 3 rd party entities and Group	There is no movement on this report in Q2
POPIA	-Noncompliance to the Section 13 (2): Public Records and routinely inspected by records management staff	-Develop Records management plan and document management policy with HR and appointed Information Officers	<ul style="list-style-type: none"> • Information Officers were appointed • Archiving space has been identified and renovated and will operationalise in Q4 due to outstanding IT matters to be addressed • GRAS conducted document management and archiving training for JM and it was poorly

			<ul style="list-style-type: none"> attended Draft Records management plan and document management policy developed and will be tabled at Board during Q4
SHE	-No evidence attached to demonstrate compliance to safer and hygiene working environment	-JM to provide quarterly reports on safe and hygiene environment	There is no movement on this report in Q2
Labour Relations Act	-Corporate services failed to review Corporate Policies	-Corporate Service to review all policies and table them to the Board for approval	All ten (10) policies reviewed would be ready for presentation to Board in the 3rd quarter

Table 11: Summary of Instances of Non-Compliance and Remedial Actions

7.4. ICT Risk Governance & ICT Risk Management

In terms of governance, the JM IT department is audited internally at least annually by Internal Audit. The department’s governance is included in the AGSA audit of the entity annually. IT has an operational risk register and the risks are continuously monitored and mitigated. Internally governance is provided by Exco with the operational accountability of governance matters residing with the Senior Manager of the department.

The ITC risks in the entity are mainly centered on the availability of critical systems to the core business of the Joburg Market. JM has in terms of cyber security all required measures in place. The SPS system is a closed system and as such the system cannot be accessed by external parties.

7.5. Critical Systems are:

- The Sales Processing System (SPS): This controls all sales, stock and cash handling transactions. This system is seen as mission critical to the Joburg Market;
- The Financial System (JD Edwards): all financial transactions from the trading floor are interfaced to this system to enable daily payments to Producers. This system is also regarded as critical to the Joburg Market.

The Company has implemented internal service standards, incorporated into internal KPAs and is measured monthly and quarterly. In addition to the latter all IT policies were duly reviewed and approved.

During the quarter under review, the department in collaboration with the CoJ has started a programme to upgrade the Microsoft environment within the entity. The Microsoft environment is controlled centrally by the CoJ, and the programme could only start after the conclusion of an agreement between the CoJ and Microsoft Corporation.

CHAPTER THREE: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and Achievements

1.1 Trading Halls and Business Performance Overview

Synopsis

- Improved turnover achieved by recording R2.962Bn against a targeted R2.23Bn (+5%)
- Improved surplus generation and positive financial ratios;
- The Payment days of invoices was achieved at 100%;
- Targeted Procurement - The Company achieved 100% in its BEE procurement drive for all SCM.
- JM implemented a Memorandum of Understanding with Industry partners which will enhance the JM transformation objectives;
- Completion of the Gen Farm and Ring feed project will caution the institution during load shedding
- The City Power exemption during Load shedding will ensure that continued operation of the Joburg during load shedding

In the period under review, the overall financial performance of Commercial Services is above par with an increase in turnover and the market average price compared to the corresponding period in the previous financial year. Volumes decreased mainly due to extreme weather conditions (extreme warm weather conditions, rain and hail damages) in some production areas which had a negative impact on the quality of produce and volumes received. Another contributing factor to the decline in volumes is that the export market has stabilized since the Ukraine/Russia war began in February 2022 as less fruit are diverted to local markets.

Over and above the unfavourable weather condition, farmers are becoming increasingly under pressure with high input cost of doing business. The cost of fuel, packaging, fertilizers, labor etc. and the perpetual power interruption at production areas resulted in unfortunate business disruptions as farmer could not irrigate, sort or do any packing of produce during load shedding.

During the period under review JM had a power outage for a few days due to cable theft. This resulted in claims against the Market.

The greater part of South Africa experienced heat waves during the period under review and some producers had extreme hail damages to their crops and about 90% crop loss in some cases.



Figure 7: Hail experienced in some part of the Country

Joburg Market achieved a turnover of R2 962 billion, which represents a positive growth of 12.60% compared to the same period in the last financial year. This represents an increase of R331 million. Joburg Market also realized a new record for the Month of October of R1.071 billion and a new record one day of R66 million. The increase in turnover can be attributed to the positive performance of Potatoes (28.65%), Tomatoes (10.77%), Apples (6.00%) and other fruit and vegetables lines in the second quarter. This may be good for JM's performance and the farmer on the one hand as fresh produce is generally higher; however consumers are feeling the pressure as nonessential spending may be on the decrease, while the cost of essential goods such as fruit and vegetables is increasing.

Hall	Turnover (R,000)			Mass (,000 Tons)			Avg. p/kg		
	2023/24	2022/23	%	2023/24	2022/23	%	2023/24	2022/23	%
Pots	1 051 542	947 900	10.93	147 082	165 830	(11.31)	7.15	5.72	25.07
Fruit	934 627	849 090	10.07	66 401	89 750	(26.02)	14.08	9.46	48.78
Veg	976 789	834 497	17.05	117 796	126 184	(6.65)	8.29	6.61	25.39
Q2	2 962 959	2 631 488	12.60	331 279	381 764	(13.22)	8.94	6.89	29.76
YTD	5 874 434	4 976 200	18.05	677 638	756 755	(10.45)	8.67	6.58	31.83

Table 12: The table below indicates the second quarter performance per Trading Hall

Key:

- JM is divided into 3 trading halls
- Pots = Potato Hall
- Fruit = Fruit Hall
- Veg = Vegetable Hall

The overall tonnage sold was below par by (-13.22%) as compared to the previous corresponding period for reasons indicated above, there were fewer volumes sold in potatoes, tomatoes, bananas, apples, carrots and other fruit and vegetables due to unfavorable weather conditions during planting and harvesting. The average price increased by 29.76% due to the increased demand in some key value commodities sold and low volumes received. The general quality of the produce was good which also enhanced the prices achieved.

The graph below shows the Market average price performance as from July 2023 to December 2023. The average price was higher than the previous financial year by 29.76%. Products such as potatoes, tomatoes, bananas and apples reflects growth in average price of 95.87%, 32.90%, 81.51% and 41.88% respectively. This can be attributed to fewer volumes received and good demand on good quality products.

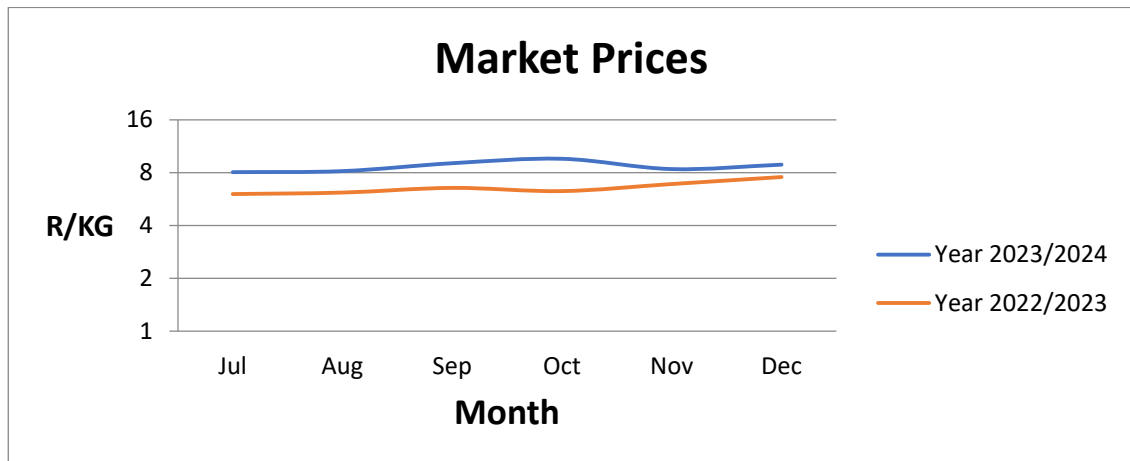


Figure 8: Second Quarter Market Prices

In the **Potato Hall**, turnover and average price increased by 10.93% and 25.07% respectively, while the mass decreased by (-11.31%). The increase in turnover and R/kg was as a result of a positive performance in potatoes as a result of lower volumes available for sale (lower production/yields, rains experienced in the production areas which hindered harvesting and contributed to the lower yields and Limpopo harvesting season finishing earlier). Quality of produce was negatively affected by the heat wave experienced but good quality produce realized higher prices as compared to the corresponding period in the previous financial year. Overlapping of onion regions contributed to the increase in volumes and the recent heat wave and rains experienced had a negative impact on quality of produce which affected prices realised negatively. Onion farmers also marketed more volumes in preparation for planting/marketing potatoes that are currently realizing higher prices. The negative effects of load shedding are still contributing to disruptions in production. The Graph below depicts the average price performance in the Potato Hall as from July 2023 to December 2023. The average price increased by 24.34% compared to the corresponding period in the previous financial year, however the average price only increased by 1.17% in December 2023.

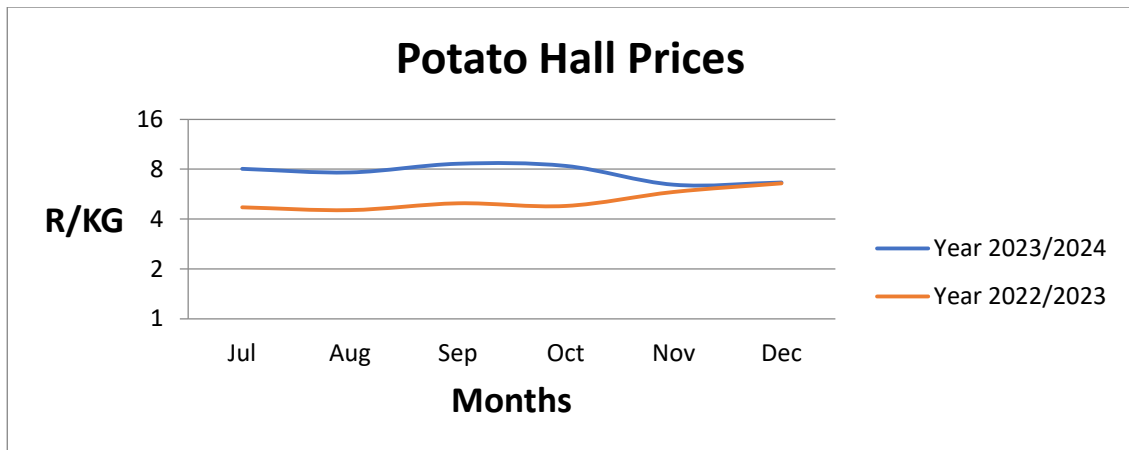


Figure 9: Second Quarter Potato Prices

In the **Fruit Hall**, turnover and average price increased by 10.07% and 48.78% respectively while the mass declined by (-26.02%). The increase in turnover was due to higher demand on good quality products and low yields received in the local markets. Mass decreased due to negative effects of weather (storm/hail) mainly experienced in the month of February 2023, which damaged flowers and fruit trees resulting in lower volumes harvested, prominently on bananas in Mozambique production area (some of the trees was replanted). Another contributing factor is that the export market has stabilized, allowing for producers to send produce for exports. The average price increased due to higher demand on good quality products with fewer volumes. The Graph below depicts the average price performance in the Fruit Hall as from July 2023 to December 2023. The average price increased by 48.78% compared to the corresponding period in the previous financial year. This increase in price can be attributed mainly to bananas up by 81.51%.

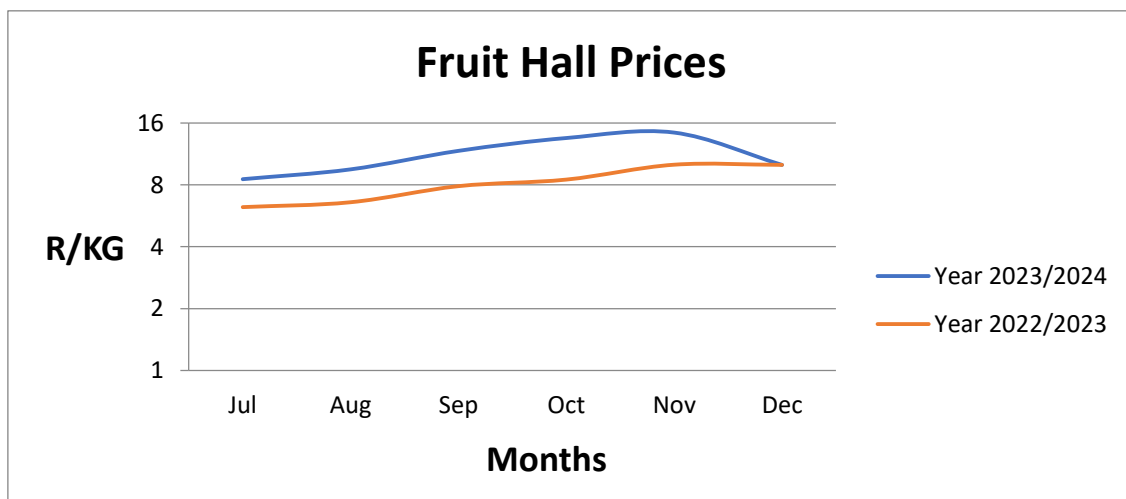


Figure 10: Second Quarter Fruit Hall Prices

In the **Vegetable Hall**, turnover and average price increased by 17.05% and 25.39% respectively while the mass declined by (-6.65%). Rand p/kg increased due to the high demand for good quality and less volumes available. Producers are faced with load shedding challenges and extremely high input costs. The ever rising fuel prices are making it difficult for producers. The greatest threat of load shedding is to the country’s food security. As crops fail for lack of irrigation, or farmers plant

less for fear of losses, the graph below shows the Vegetable Hall average price from July 2023 to December 2023. The average price was relatively higher of the reporting quarter as compared to the previous financial year due to lower volumes of produce being available for sale and inferior quality on some veggie lines.

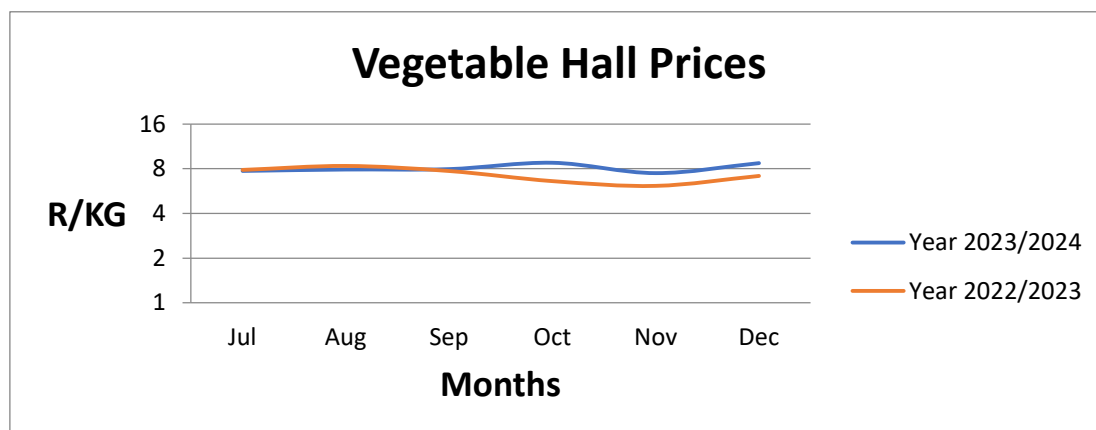


Figure 11: Second Quarter Vegetable Hall Prices

1.2. Food Inspection and Testing Services

Food Quality Assurance (FQA) Department undertakes food quality inspections for the purposes of quality control compliance, laboratory testing for compliance monitoring and food safety risk evaluation. JM food handling and storage facilities are inspected to ensure hygiene compliance and prevention of food contamination.

1.2.1 Food Inspection and Testing Activities

- 116,727 tons of produce was received for sale in the month of November 2023.
- JM QA Department inspected a total of 6680 tons of produce for quality control purposes and fitness for sale.
- The general quality of produce was found to be good and fit for sale at the time of receiving with no rejections at arrival. Weather temperatures in production areas were moderately cool to warm with a period of heatwave that may have impacted the shelf-life of produce during storage at the market; hence cold storage of temperature sensitive produce is required.
- A total of 26 tons were rejected for sale.

Inspection of produce power outage

There was a period of five days of power outage at JM from 25 to 29 November 2023 that impacted power supply to market cold rooms and agents' cold rooms in the fruit and vegetable trading halls. A total of 433 tons of fruit and vegetables held in cold storage were inspected to determine the quality and fitness for human consumption. Most produce held in cold rooms that were non-operational were found to be soft, wilted and showing signs of ripening due to the break in cold chain. Temperature sensitive produce that have low shelf-life, namely berry fruit (strawberries, raspberries, blueberries, blackberries and gooseberries), soft fruit (peaches, plums and nectarines) and baby vegetables (baby marrow, patty pans) were found to have decay development, i.e. mould / fungal

growth. Condensation (i.e. free moisture) was also found around produce and in pre-packed containers due to warming of produce.

Fruit and vegetables affected by power outage were either sold at low price (due to softness/overripe) or discarded, i.e. destroyed due decay development that renders produce unfit for human consumption

- As per SPS Destroyed Report, a total of 1248 tons* of produce was destroyed during the month of November 2023– this represents 1.1% of the total tonnage received. *Not all produce that were physically destroyed were captured as destroyed – some agents’ book destroyed produce at low price in order to compensate the farmer.*

Product	Volume Destroyed*	
Beetroot	175 tons	
Cabbage	133 tons	Generally not kept in cold storage
Spinach	92 tons	
Carrots	71 tons	
Potatoes	70 tons	Not kept in cold storage
Peppers	56 tons	
Grapefruit	52 tons	
Watermelons	49 tons	Not kept in cold storage
Lemons	49 tons	
Gem squash	41 tons	Not kept in cold storage
Hubbard squash	37 tons	Not kept in cold storage
Plums	31 tons	
Nectarines	29 tons	
Strawberries	28 tons	
Baby marrow	27 tons	
Chillies	25 tons	
Onions	23 tons	Not kept in cold storage
Apricots	19 tons	
Peaches	19 tons	
Oranges	18 tons	
Mangoes	15 tons	
Blueberries	15 tons	
Lettuce	13 tons	
Sweet melons	12 tons	
Cherries	11 tons	
Patty pans	10 tons	
Avocadoes	10 tons	
Cucumber	8 tons	
Broccoli	8 tons	
Green beans	4 tons	
Tomatoes	4 tons	
Grapes	4 tons	
Bananas	4 tons	
Cauliflower	2 tons	
Apples	1 ton	

A comparative analysis of volume destroyed in November 2022 and November 2023 shows a similar tonnage destroyed. A total of 1396 tons of produce was destroyed during the month of November

2022 – this represented 1.0% of the total tonnage received. A total of 133,667 tons of produce was received for sale in the month of November 2022.

- 161 tons of produce were downgraded by Prokon at the time of receiving, mainly due to quality defects of potatoes.
- 256 tons of produce were returned to farmer mainly due to request from farmer or quality reasons.

2. Laboratory Testing

- **Pesticide analysis**

JM Lab tested samples received from Giant Canning factory and released a test report to the client.

No testing of produce received on the market sales floor was performed during the month of November due to maintenance service of the main test instrument and monitoring of instrument performance. A UPS was installed at JM Lab in November which will aid with power disruptions but not for prolonged periods of power outage. The five days of power outage affected the instruments pump whereby the service provider will be called out to evaluate.

3. Hygiene Inspections

- Monthly hygiene inspections were performed at the main trading Halls (namely Vegetable, Fruit & Potato Halls), Market Cold Stores & Ripening and Food Support Centre in an effort to improve the level of hygiene. Inspection reports with photos were issued to the relevant Managers for action and improvement.
- Cleaning performance and market hygiene assessment was performed during the course of November month – a report was forwarded to the respective managers with recommendations for improvement and action to be taken against certain traders / groups of market users that flout the market by-laws.

4. Projects and Programmes

4.1 Pest Control Programme

- Rodent activity at the market on the market site in general was found to be moderate to low.
- Rodent control services were rendered by Bidvest Steiner during the month of November.
- Rodent bait stations were serviced during the month where bait was replenished. Service provider attended to rodent problems at Dapper Agent Fruit Hall, Food vendors green containers, CL De Villiers Veg Hall, Recycling area opposite consignment offices, Food Support Center, Botha Roodt Veg Hall, Subtropico Fruit Hall and 4th Floor Main Building Kitchen. Follow-up inspections and re-baiting were conducted at the afore-mentioned locations. Following the treatment intervention, rodent activity in halls has subsided.

- Attention must be paid to improve housekeeping and removal of waste materials in all halls and storage areas on the market site to prevent harbourage and breeding hotspots for rats.
- Pest activity is closely monitored and the relevant service providers are regularly engaged to ensure efficacy of the control measures instituted.

1.3. Infrastructure

Repairs and Maintenance Program:

- The JM Repairs and Maintenance Budget for the 2023/24 financial year is R 61 436 000. The expenditure for first quarter was R18, 2 million which represents 29, 78% of expenditure, the expenditure up to the end of December is R 6, 67 million. The total expenditure for Quarter 2 is R 24 866 334 representing 40, 48 % expenditure.
- **Daily R&M (Emergency) Works:** Daily incidents reported for Quarter 2, were 299 work orders were reported and 268 were resolved yielding a success rate of 89.63%, the unresolved work orders were due to a shortage of material and the appointment of service providers. The works performed include but not limited to:
- **Civil and Building:** Painting of Offices and Parking Roof, welding of Burglar Bars and Palisade Fence at Watermelon Section, Repairing and fixing Desk at the Laboratory, Replacing Door locks as well as repairing two doors at Consignment Offices Fixing cupboards and doors, door lockers, replacing broken window, fixing glass door at 6th Floor, fixing roller doors at trading halls and Food Services Centre, etc. Replacing and repairing cupboards doors, hinges and door lockers at Vegetable Hall, Repairs of doors at Main Gate, Fourth Floor and Second Floor, Roller Doors repairs at the trading halls , Painting and waterproofing of Security Offices
- **Mechanical:** fixing air conditioners, Tracing of Ammonia Leaks at the Cold rooms, attending to faulty water pump, repairs on loading bays, Manual Adjustment of the valves for temperature control at the cold rooms.
- **Electrical:** Restoring power on faulty lines and lights around the Market, Test running the new Genfarm, Fixing faulty plugs, resetting main switch, replacing non-working lights, installation of gate motor at Executive Parking, installation of change over switch at Hall 3 & 8, mounting the battery charger and power installations at Cold Stores, fixing of high mast lights and replacing burnt wall sockets.
- **Plumbing Daily Maintenance:** Restoration of water lines after repairs of valves and faulty supply lines around the Market, Fixing and cleaning of blocked drains(4&5, mama's kitchen , unity market , king fresh 2nd floor ladies toilet, watermelon section 2&3 North , Mandela & Cold Stores, Wellness, Ablution 4&5, 2&3, 8&9 Door 604 ,fixing leaking pipes, Fixing flushmaster at 2nd floor toilet, leaking Fire Hydrant, Replacing leaking flexi pipe etc) .Fixing burst pipes at Door 227, Platform 4 , Hall 7&8 and Banana Ripening

R&M (Planned) Works:

Road Marking around the Market: The project has been completed.

Repairs for the Consignment: The project has been completed

Chiller Plant Facility Repairs: The project is at 90% complete, the outstanding work will be completed by end of December 2023. There remains commissioning and handover to the Market (Water treatment is an ongoing exercise until the end of September 2024)

Repairs at Complementary Services (Ammonia Project): the service provider is almost complete (90%) by replacing pipes and valve stations, the remaining works involve repairs/replacing doors, curtains, rails, etc. The project is expected to be completed by the third quarter.

Conversion of Ablutions to Change Rooms: the project is 25% completed and is expected to be completed June 2024

Q2 Breakdown of Repairs & Maintenance

The JM Repairs and Maintenance Budget for the 2023/24 financial year is R 61 436 000, the R&M expenditure for the second quarter is R 24.87 million representing 40.48%.

Item No	Repair & Maintenance	Actual Spent	Budget Amount(Q2)
		24 866 334	30 718 000
65111	Consumables	2 053 026	1 105 500
65115	Consumables - electrical	0	460 500
65120	Consumables - stores & materials	4 378 951	691 000
65141	Consumables - Security	0	30 500
75630	Repairs & Maintenance	214 291	3 159 000
75792	Porters	0	0
65131	R & M - Buildings	8 424 247	6 015 000
65132	R & M - Furniture	6 868	0
65133	R & M - Gardens & surrounds	871 122	1 673 000
65134	R & M - Machinery & tools	4 471 407	4 920 500
65150	TILCA charges		0
65137	R & M - Fork Lifts	0	376 500
65138	R & M - Electrical	2 871 971	10 088 000
65139,001	R & M - Air Conditioners	22 000	2 198 500
65139,002	R & M - PABX	0	0
65139,003	R & M - Plumbing	1 552 451	0

Table 13:Q2 Breakdown of Repairs & Maintenance

1.4. Capex Project Report

CAPEX 2nd quarter 31 December 2023 report (projection report)

Capex spend as at 31 December 2023 is recorded at R101.3m against a total budget of R150.3m. This represents 67.4% spent against the total budget.

Below is a table indicating the project expenditure and project status,

Project number	Project name	Project status	Comments	Award amount Excl VAT	Total project Expenditure	2023/2024 Expenditure	2023/2024 Budget
2598	<p>Upgrades to the main building (Mandela, Cold rooms, Office & Food Courtyard)</p> <ul style="list-style-type: none"> • Mandela Project by JPC • Supply of Consignment office containers 	<ul style="list-style-type: none"> • Project is at 97% complete • Main structure is completed • Service provider is awaiting approvals from JPC to repair the floors before they can start with installing the panels. 	<p>Project completion date is predicted to be end of April 2024.</p> <p>There was a shortage of offices at Consignment Control and mobile offices were procured to accommodate those who had no working offices.</p>	<p>R143 915 340.00</p> <p>For Mandela project</p>	<p>R127 067 000.00</p> <p>Project Expenditure percentages: 88,29%</p> <p>For only Mandela project</p>	<p>R1 359 512.32</p> <p>R1 043 499.68</p> <p>Total: R2 403 012.00</p> <p>Project Expenditure for 2023/2024 percentages: 12,81%</p>	R18 753 000.00
3331	<p>Installation of sprinkler system (Fire suspension system OHSA) by MM industries</p>	<ul style="list-style-type: none"> • The project is at 90% • Tanks are at 100% • Pump house is at 100% • Piping and installation of pups is at 85% • The project is estimated to 	<p>The service is experiencing a delay on the delivery of domestic water pump. It is stuck at Durban Harbor.</p>	<p>R22 724 306.87</p> <p>R1 500 000.00</p> <p>Total: R24 224 306.87</p>	<p>R23 505 545.00</p> <p>Project Expenditure percentages: 97%</p>	<p>R9 433 180.00</p> <p>Project Expenditure for 2023/2024 percentages: 116.82%</p>	R8 075 000.00

Project number	Project name	Project status	Comments	Award amount Excl VAT	Total project Expenditure	2023/2024 Expenditure	2023/2024 Budget
		be complete on the 31 January 2023					
4039	Operational Capital: Joburg market - Technical equipment renewal by Manxiwa group	<ul style="list-style-type: none"> The project is at 100% and is handed over. 	<ul style="list-style-type: none"> The project is completed and a service provider to provide training to user department 	R28 108 768.04	R28 108 768.04 Project Expenditure percentages: 100%	R711 426.00 Project Expenditure for 2023/2024 percentages:	R0
22547	Alternative energy systems	<ul style="list-style-type: none"> JM appointed City Power to implement the PV Solar system City Power appointed a service provider to implement the project 	<ul style="list-style-type: none"> The project is at 60% of installing solar panels. The wiring has started as some strings and termination is only done on panels Investors and batteries to be installed January to February 2024 		R40 000 000.00 Project Expenditure percentages: 100%	R40 000 000.00 Project Expenditure for 2023/2024 percentages: 100%	R40 000 000.00
22489	Upgrading Banana Ripening and Cold rooms	<ul style="list-style-type: none"> Exco/ board to take resolution on whether to refurbish or to 	Expenditure incurred from supply of machinery,		R10 340 767.00 Project Expenditure percentages: 51.70%	R10 340 767.00 Project Expenditure for	R20 000 000.00

Project number	Project name	Project status	Comments	Award amount Excl VAT	Total project Expenditure	2023/2024 Expenditure	2023/2024 Budget
		construct new cold rooms.	installation of UPS units and supply and installation of chiller unit at banana ripening			2023/2024 percentages: 51.70%	
24064	Rocker Bin	<ul style="list-style-type: none"> The project is at initiation stage Project sat on BSC on 07 November 2023 and will be advertised for 14 days. 	<ul style="list-style-type: none"> The project is on advert and closing on the 26 January 2024 				R2 000 000.00
24065	Ring Feed	<ul style="list-style-type: none"> The project is at 80% complete 2.5km of trenching is completed and 2.5km of cable is laid. One cable is terminated and activated. Other two cables will be 		R25 826 000.00	R26 000 000.00	R26 000 000.00	R26 000 000.00

Project number	Project name	Project status	Comments	Award amount Excl VAT	Total project Expenditure	2023/2024 Expenditure	2023/2024 Budget
		terminated once they install new switch.					
23093	Installation of Smart meters by Bash electrical	<ul style="list-style-type: none"> The project is in the implementation stage The project is at 95% The project is estimated to be completed by end of March 2024 		R38 485 486.55 R6 000 000.00 Total: R44 254 139.47	R42 116 890.55 Project Expenditure percentages: 95,17%	R12 440 993.00 Project Expenditure for 2023/2024 percentages: 103,67%	R12 000 000.00
31060	Cashless Project						R20 000 000.00
31063	Soweto Market						R2 000 000.00
22541	Smart Market Project						R1 500 000.00

Table 14: Project Expenditure and Project Status

Section 2: Service Delivery Challenges

In pursuing its deliverables over the reporting period the entity had to content with a number of challenges which are summarised below:

1. Power failures and cable theft

Power cuts caused by the above incidents have exposed the Company in particular to claims from users of the JM cold storage and ripening facilities.

JM also experienced a fire incident in a substation located at its fruit trading hall on 19 March 2022.

[Resolution: The completion of the Gen Farm and Ring feed project will assist in alleviating the challenge in the future.

JM has also engaged with City Power on an urgent basis and is seeking relief from load shedding which application is currently being considered by City Power]

2. Inadequate Trading Space

Sufficient trading space remains a major challenge, as market agents continued to periodically store fresh produce on the platforms of some of the trading halls.

[Resolution: JM is embarking on the Smart Market project that will lead to the development of the market with improved trading space. The conceptual designs have been concluded and Joburg market is working with the City, national Treasury and DBSA to secure the services of a Transactional Advisor to design a viable funding model for the project].

3. Shortage of Cold stores/Ripening

A total of 14 ammonia cold rooms have not been in operation since 2022 and impacted on the availability of the banana ripening facilities.

[Resolution: JM has concluded the refurbishment of 14 ammonia rooms and they will be fully commissioned by the end of February 2024].

Section 3: Performance against Predetermined Objectives

The JM's progress towards achieving its KPIs is assessed using the performance scorecard, which measures performance in terms of both the JM's service delivery mandate and financial and other resource management processes. The scorecard targets, which are set and agreed on by JM management, the Board, and the Shareholder, aim to improve the JM's performance and efficiency, and achieve longer-term goals for Smart Market of the Future.

The 2023/24 Business Plan has 13 approved Company KPIs and 6 approved Service Level Standard KPIs.

The table below presents a summary of JM’s performance against the first quarterly results of the 2023/24 targets.

ITEM	Q2 OF 2022/23	Q2 OF 2023/24
Total no. of KPIs on scorecard	13	13
No. of KPIs due	13	13
Number achieved	10	9
Number not achieved	3	4
Percentage achievement	76.9%	69.2%

Table 15: Q2 Performance Overview

Recovery Plan for Non-Achieved KPI’S

Only 4 KPI’s were not achieved and are discussed below:

KPI NOT ACHIEVED	TARGET	ACTUAL	REASON FOR NON-ACHIEVEMENT	PROPOSED MITIGATION
% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	30%	50%	The investigations are still in progress	Once the investigations are completed, they will be submitted to the Board for the approval of the right-off and the adjustment of the reduction will be made
Number EPWP job opportunities created	10%	0%	The recruitment process for 100 EPWP job opportunities is underway	The recruitment process to be finalised in the 3 rd quarter with the anticipated target to reach 100 instead of the targeted 80
% Percentage implementation of the strategic risk management action plan findings resolved	100%	75%	-Most Risk mitigation measures are dependent on the SMART Market project - interdepend risks, i.e. MTC to assist with IT related projects -Budget constraints	-Continue to work with JDA and OCOO on the SMART Market project - Request for additional budget during the adjustment budget process to complete projects
% achievement of service standards	100%	80.55%	Joburg Market has successfully met 5 out of 6 of its service standards.	- The refurbishment of the cold is implemented in phases - JM has concluded phase 1 of the refurbishment of 12 ammonia rooms - The phase 2 of refurbishment is currently in progress for 14 cold rooms


Table 16: Non Achieved KPIs for Quarter 2

Strategic interventions	PRIORITY: SUSTAINED ECONOMIC GROWTH																Means of verification	Leader	Support	Cluster
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD				
								CAPE X R/M	OPE X R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS outcome: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																				
1.1.	% Targeted market share held by JM in relation to other FPMs	45.67% Targeted market share held by JM in relation to other FPMs	45.7% Targeted market share held by JM in relation to other FPMs	45.8% Targeted market share held by JM in relation to other FPMs	45.8% Targeted market share held by JM in relation to other FPMs	45.9% Targeted market share held by JM in relation to other FPMs	45.5% Targeted market share held by JM in relation to other FPMs	0	R9.09 Bn	43.5% Targeted market share held by JM in relation to other FPMs	43.6% Targeted market share held by JM in relation to other FPMs	43.7% Targeted market share held by JM in relation to other FPMs	45.8% Targeted market share held by JM in relation to other FPMs	43.6% Targeted market share held by JM in relation to other FPMs	45.32% Targeted market share held by JM in relation to other FPMs	45.32% Targeted market share held by JM in relation to other FPMs	National market share report indicating JM in relation to other FPMs as measured by NDAF	Strategy	JM: IT	Economic Development
Budgeted turnover (cum)								R0	R9.09 Bn	R2.27 Bn	R4.54 Bn	R6.8Bn	R9.09Bn	4.54 Bn	R5.875 Bn	R5.875 Bn				
FPMs: National Fresh Produce Markets in South Africa Unit of Measure: % (cum) SAUFM: South African Union of Food Markets YTD: Year to Date																				

Strategic interventions	PRIORITY: INFRASTRUCTURE DEVELOPMENT AND REFURBISHMENT																					
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster		
								CAPE X R/M	OPE X R/M	Q1	Q2	Q3	Q4	Target	Actual							
<ul style="list-style-type: none"> GDS outcome: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy JM Strategic Objective: To ensure adherence to Good Governance Practices. 																						
1.3.	% of spent on repairs and maintenance to property, plant and equipment.	93%	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	R0	R48,9m	0% of spent on repairs and maintenance to property, plant and equipment	5.1% of spent on repairs and maintenance to property, plant and equipment	6.4% of spent on repairs and maintenance to property, plant and equipment	8% of spent on repairs and maintenance to property, plant and equipment	4% of spent on repairs and maintenance to property, plant and equipment	6.7% of spent on repairs and maintenance to property, plant and equipment	6.7% of spent on repairs and maintenance to property, plant and equipment	JM financial accounts	Strategy	JM: IT	Economic Development		
Budgeted R&M spent (cum)								R48.9m	R0	R9m	R20 m	R48.9m	R0	R23.9M	R23.9M							
R&M: Repairs and Maintenance																						
Unit of Measure: % (cum)																						
YTD: Year to Date																						

Strategic interventions	PRIORITY: SUSTAINABLE SERVICE DELIVERY																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OPEX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive Gcr JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																					
1.4.	% spent on operating budget against approved operating budget	New	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget		R468.7m	25% spent on operating budget against approved operating budget	50% spent on operating budget against approved operating budget	75% spent on operating budget against approved operating budget	100% spent on operating budget against approved operating budget	50% spent on operating budget against approved operating budget	50.5% spent on operating budget against approved operating budget	50.5% spent on operating budget against approved operating budget	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
Budgeted CAPEX spent (cum)								R0	R468.7m	R117m	R234.4m	R351.5m	R468.7m	R129.7m	R216.5m	R216.5m					
Unit of Measure: % (cum)																					
YTD: Year to Date																					

Strategic interventions	PRIORITY: FINANCIAL SUSTAINABILITY																			
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster
								CA PEX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To adhere to good governance practises 																				
1.5	% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	New	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	RO	RO	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	30% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	10% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	10% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	30% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	50% reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development
Budgeted									RO	-	-	-	-	-	-	-				

Strategic interventions	PRIORITY: SUSTAINABLE SERVICE DELIVERY																			
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q1		YTD	Means of verification	Leader	Support	Cluster
								CAPEX R/M	OPEX R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Provide a Resilient and Premier Trading Facility by June 2027 																				
1.7.	% spent on capital budget against approved capital budget	86.2 % spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	R150.3 M	0	25% spent on capital budget against approved capital budget	50% spent on capital budget against approved capital budget	75% spent on capital budget against approved capital budget	100% spent on capital budget against approved capital budget	50% spent on capital budget against approved capital budget	67.40% spent on capital budget against approved capital budget	67.40% spent on capital budget against approved capital budget	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development
Budgeted CAPEX spent (Cum)								R150.3 M	0	R37,6 M	R75.2	R112.7	R150.3 M	R75.2 M	R101.3 m	R101.3 m				
Unit of Measure: %																				
YTD: Year to Date																				

Strategic	PRIORITY: JOB OPPORTUNITY AND CREATION
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Interventions	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual					
<ul style="list-style-type: none"> GDS Outcome; An Inclusive, Job-Intensive, Resilient, Competitive And Smart Economy JM Strategic Objective: To Expand Opportunities to Historically Disadvantaged Groups 																				
2.1	Number EPWP job opportunities created	118 EPWP job opportunities created	70 EPWP job opportunities created	75 EPWP job opportunities created	80 EPWP job opportunities created	85 EPWP job opportunities created	90 EPWP job opportunities created	0	R5.2m	0 EPWP job opportunities created	10 EPWP job opportunities created	20 EPWP job opportunities created	40 EPWP job opportunities created	10 EPWP job opportunities created	0 EPWP job opportunities created	0 EPWP job opportunities created	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development
		Budgeted spent on Job creation								R5.2m	R0	R0.74m	R1.5m	R5.2m	R0	R0	R0			
		Unit of Measure: % (cum) YTD: Year to Date NT MFMA Circular 88 Imperative: CoJ SDBIP																		

Strategic interventions	PRIORITY: SUSTAINED ECONOMIC GROWTH																			
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual					

<ul style="list-style-type: none"> GDS Outcome; An Inclusive, Job-Intensive, Resilient, Competitive And Smart Economy JM Strategic Objective: To Expand Opportunities to Historically Disadvantaged Groups 																						
2.2.	(2.1)	New	75 SMME's supported	85 SMME's supported	95 SMME's supported	110 SMME's supported	115 SMME's supported	R0	R0	10 SMME's supported	25 SMME's supported	45 SMME's supported	75 SMME's supported	25 SMME's supported	41 SMME's supported	41 SMME's supported	JM financial accounts	PMO	JM: Core Operations, Finance,	Economic Development		
		Budgeted spent on Job creation								-	-	-	-	-	-		-					
		Unit of Measure: % (cum)																				
		YTD: Year to Date																				
		NT MFMA Circular 88 Imperative: CoJ SDBIP																				

Strategic interventions	PRIORITY: GOOD GOVERNANCE																				
	KPI	Baseline (Audited 2021/22)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																					
3.1	% Percent age resolution of AG findings	98% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	0	0	80% resolution of AG findings	100% resolution of AG findings	50% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	100% resolution of AG findings	AGSA audit letter	Internal Audit	JM: M&E & Strategy	Economic Development	
Budgeted spent									-	-	-	-	-	-	-	-					
Unit of Measure: % (Cumulative) YTD: Year to Date																					

Strategic interventions	PRIORITY: GOOD GOVERNANCE																				
	KPI	Baseline (Audited 2020/21)	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	Target 2027/28	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																					
3.2.	% resolution of Internal Audit findings	85% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	100% resolution of Internal Audit findings	RO	RO	10% resolution of Internal Audit findings	30% resolution of Internal Audit findings	70% resolution of Internal Audit findings	100% resolution of Internal Audit findings	30% resolution of Internal Audit findings	71% resolution of Internal Audit findings	71% resolution of Internal Audit findings	JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development	
Budgeted spent on internal auditing									-	-	-	-	-	-	-	-					
Unit of Measure: % (Cum)																					
YTD: Year to Date																					

Strategic interventions	PRIORITY: GOOD GOVERNANCE																				
	KPI	Base line (Audited 2020/21)	Target 2023/24	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster	
								CAPEX/R/M	OPER/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																					
3.3	% Percentage implementation of the strategic risk management action plan findings resolved	New	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	0	0	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	100% implementation of the strategic risk management action plan findings resolved	75% implementation of the strategic risk management action plan findings resolved	75% implementation of the strategic risk management action plan findings resolved	JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development	
Budgeted spent on internal auditing																					
Unit of Measure: % (Cum)																					
YTD: Year to Date																					

Strategic interventions	PRIORITY: GOOD GOVERNANCE																				
	KPI	Baseline (Audited 2020/21)	Target 2023/24	Target 2023/24	Target 2024/25	Target 2025/26	Target 2026/27	2023/24 Budget per programme		Quarterly Targets				Q2		YTD	Means of verification	Leader	Support	Cluster	
								CAP EX R/M	OP EX R/M	Q1	Q2	Q3	Q4	Target	Actual						
<ul style="list-style-type: none"> GDS Outcome; A High Performing, Smart Metropolitan Government That Pro-Actively Contributes To And Builds A Sustainable, Socially Inclusive, Locally Integrated And Globally Competitive GCR JM Strategic Objective: To Ensure Compliance with Regulatory Framework 																					
3.4.	% achievement of service standards	New	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	0	0	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	100% achievement of service standards	80.55% achievement of service standards	80.55% achievement of service standards	JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development	
Budgeted spent on internal auditing																					
Unit of Measure: % (Non-Cumulative)																					
YTD: Year to Date																					
STDS: Standards																					

Table 17: Performance against Predetermined Objectives

Section 4: Performance against Service Standards

Joburg Market achieved 83% of its Services Level Standards for Quarter 2 2023/24 performance. Five (5) of the seven (6) measured SLS KPIs were achieved.

- **The achieved KPIs are:** Electronic Sales Processing System disruptions
- Opening a new buyer account
- Time to resolve cashiering queries when clients are depositing money.
- Repairs of infrastructure facilities
- Cold Room facilities

The unachieved KPIs are

- Repairs to ripening facilities

Joburg Market's Service Level Standard summary performance for the Quarter 2 2023/24:

JOBURG MARKET SERVICE LEVEL STANDARD PERFORMANCE REPORTING CYCLE: QUARTER 2						
PERFORMANCE STATUS	ASSESSMENT	OCTOBER 2023	NOVEMBER 2023	DECEMBER 2023	QUARTER 2	YEAR TO DATE
Target Achieved		5	5	4	4.66	4.66
Target not achieved		1	1	2	1.33	1.33
Total number of KPIs		6	6	6	6	6
Total number of KPIs measured		6	6	6	6	6

Table 18: Joburg Water SLS Performance

NO	CORE SERVICE	SERVICE LEVEL STANDARD TARGET	OCTOBER 2023	NOVEMBER 2023	DECEMBER 2023	QUARTER 2
1	Opening a new buyer account	20 minutes	1.89 minutes average	1.89 minutes average	4.56 minutes average	2.78 minutes average
2	Electronic Sales Processing System disruptions	Mirror/back-up 12w system to go live: within 55 minutes	No-downtime recorded in October 2023	No-downtime recorded in November 2023	No downtime recorded July to December 2023	No downtime recorded for Quarter 2
3	Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	1.61 minutes average	1.57 minutes (average)	1.55 minutes (average)	1.57 minutes
4	Repairs of infrastructure facilities	Commencement with repairs process on reported infrastructure breakdown within 24 hours	100%	100%	100%	100%
5	Repairs to ripening facilities	90% Availability	57%	56%	57%	56.6%
6	Cold Room facilities	Average temperature variance not greater than 1.27°C of agreed customer requirements	1.43°C	1.7°5	2.99°C	2.06°C

Table 19: Monthly SLS Performance

Summary of the overall performance for the first quarter under review achieved at 80.55%







NO	CORE SERVICE	SERVICE LEVEL STANDARD TARGET	ACTUAL	EVIDENCE	VERIFIED ACTUAL*	VARIANCE	VARIANCE EXPLANATION	MITIGATIONS / COMMENTS	REFERENCE TO EVIDENCE
1	Opening a new buyer account	20 minutes	2.78 minutes average	SPS Report	No	17.22 minutes favourable		The Service Level Target was successfully met.	Account Creation Report
2	Electronic Sales Processing System disruptions	Mirror/back-up 12w system to go live: within 55 minutes	No downtime recorded for Quarter 2	Data base Report	No	0 favourable		The Service Level Target was successfully met	Oracle Data Report
3	Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	1.57 minutes	SPS Report	No	28.4% favourable		The Service Level Target was successfully met.	Cashier Turn-around Time Report
4	Repairs of infrastructure facilities	Commencement with repairs process on reported infrastructure breakdown within 24 hours	100%	Work Order Sheet	No	0 favourable		Work orders were attended to as soon as they were reported for repairs.	Core Operations Summary Report
5	Repairs to ripening facilities	90% Availability	56.6%	Daily Monitoring summary report	No	33.4% not favourable	** 	The Service Level Target was not met.	Core Operations Summary Report
6	Cold Room facilities	Average temperature variance not greater than 1.27°C of agreed customer requirements	3.32°C	Average Set Daily Temperature Reading	No	2.06°C not favourable	** 	There is constant monitoring of temperature variation.	Core Operations Summary Report

Table 20: Summary of the overall performance for the First quarter



** Mitigation:

A service provider will be appointed from the panel of service providers to do the repairs at the Banana Ripening facilities

The appointed service provider to refurbish 14 cold rooms has commenced with the work and will finalise the works by end of Q3

Joburg Market: Implementing the Smart Market

Section 5: Stakeholder Engagements and Marketing Activities

STAKEHOLDER	ENGAGEMENT ACTIVITY	OUTCOME / RESULTS
<p>MMC for Economic Development, Cllr Nomoya Mnisi</p>	<p>The Joburg Market team, led by its distinguished Executives, hosted a comprehensive cleaning and gardening campaign. The JM team planted new flowers, and cleaned up the JM main gate, exit gate, Tshiamo Market and the consignment areas. This campaign signified our dedication to uplifting our surroundings, thus creating a more harmonious and conducive environment for our employees, suppliers and customer.</p>	
<p>Board Chairperson, Mr Enos Sithole</p>	<p>JM executives conducted a formal walkabout to welcome the newly appointed Chairperson of the Board, Mr Enos Sithole. The executives briefed the new Chairperson of the Board on the previous and ongoing projects that the market has undertaken to enhance its efficiency. Furthermore, JM's Executives conferred a glimpse of the daily activities and operations of the market, such as the buying and selling of fresh produce, the quality control, and the customer service. The walkabout was a formal introduction of the new Chairperson of the Board to the market and some of its staff and served as an opportunity for him to learn more about the market and its vision and goals.</p>	
STAKEHOLDER	ENGAGEMENT ACTIVITY	OUTCOME / RESULTS

<p>SAUFM</p>	<p>The South African Union of Food Markets (SAUFM) for hosted a conference at the Southern Sun O.R Tambo International Airport Hotel on the 23rd of November 2023.</p> <p>The SAUFM Conference was convened under the theme 'Resilient Channel for Food Security'. The conference focused on tracking progress made on the food security landscape and also assessed the consolidation of the South African agriculture sector</p>	
<p>Ambassador of South Africa to Russia Mrs NM Sibanda - Thusi</p>	<p>Ambassador of South Africa to Russia Mrs NM Sibanda - Thusi visited Joburg Market for a site tour led by the Joburg Market former Board Chairperson Mr Zama Xalisa, Mr Musa Shibambu, Mr Cedric Nephawe, Mr Charles Park and Ms Noxolo Mabuza</p>	
<p>STAKEHOLDER</p>	<p>ENGAGEMENT ACTIVITY</p>	<p>OUTCOME/RESULTS</p>

<p>IMASA Market Agents</p>	<p>Joburg Market hosted a site visit for its Market Agents on the 16th of November 2023 to see the progress of the various projects that the market has initiated to enhance its efficiency and sustainability. The projects cover areas such as air-conditioning, electricity, and water supply as well as fire safety, and asset management.</p>	
<p>MMC for Economic Development, Cllr Nomoya Mnisi</p>	<p>Joburg Market's MMC, Board and Management International Study Tour at the Merca Madrid Market in Madrid, Spain. This benchmark study tour is part of the Smart Market initiative which seeks to position Joburg Market globally as the largest fresh produce in the African Continent</p>	
<p>STAKEHOLDER</p>	<p>ENGAGEMENT ACTIVITY</p>	<p>OUTCOME/RESULTS</p>

<p>JM Opportunity Centre</p>	<p>On Friday, 20 October 2023, the Opportunity Centre at Joburg Market hosted a much-anticipated seminar aimed at empowering and supporting men in business. The seminar featured entrepreneurs from reputable companies who shared their expertise in areas such as branding, construction, media, and finance</p>	
<p>AFASA Young Farmer's Summit</p>	<p>On Tuesday, 28 November 2023 the Potato Hall Manager along with the Marketing Team honoured an invitation to be part of the 6th Annual Young Farmers Summit, a gathering of bright and enthusiastic minds who are transforming the agricultural sector in South Africa. The summit featured insightful panel discussions on various topics related to the agricultural sector.</p> <p>Our Potato Hall Manager, Mrs Lesego Seyama, was one of the panellists, where she shared her knowledge and tips on how to access and comply with the market information and regulations in the agricultural sector.</p>	

<p>JM participation in Executive Mayor’s Accelerated Service Delivery Programme</p>	<p>JM erected Exhibition stalls in Buccleugh and later in Bryanston on the 18th October 2023, to provide the communities with information on JM’s products and services. Information brochures were handed out, and queries were addressed to provide clarity, processes and referrals for further contacts, engagements, and available opportunities.</p>	
<p>Ivory Coast Investment Conference</p>	<p>On the 26th October 2023 JM participated in the Ivory Coast Investment Conference, supporting the COJ Department of Economic Development team, making presentations regarding Opportunities in Agriculture and the Fresh-Produce Industry – to the attendants from <i>Cotê d’ evoire, the Republic of Congo-Brazzaville</i>, as well as SA entrepreneurs interested in export opportunities.</p>	 
<p>World Food Day Celebrations</p>	<p>JM’s Marketing & Communication department partnered with COJ DSD to exhibit in the United Nations World Food Day Celebrations, held on a COJ-owned farm located next to Diepsloot, on the 18 October 2023.</p>	 
<p>MMC Mnisi launches Southern Farms Development – Freedom Park, JHB South.</p>	<p>The Marketing & Communications department provided an exhibition stall in support of the COJ DED launch the Southern Farms Biodiversity Development – providing information to stall visitors on the services and products offered by Joburg Market, on the 11th December 2023.</p>	 

Section 6: Response to Strategic Direction

This section should provide how the Joburg Market responded to the strategic objectives for the quarter under review and strategic alignment to the Mayoral Priorities.

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q2 PROGRESS REPORT
1. Provide a resilient, liveable and sustainable urban environment - underpinned by smart infrastructure supportive of a low-carbon economy	<ol style="list-style-type: none"> 1. Sustainable and integrated delivery of water 2. Sustainable and integrated delivery of sanitation 3. Sustainable and integrated delivery of energy 4. Sustainable and integrated delivery of waste 5. Improved eco-mobility 6. Sustainable human settlements 7. Climate change resilience and environmental protection 	<ul style="list-style-type: none"> • Green economy • Infrastructure development 	<ul style="list-style-type: none"> • Energy Generation through organic waste conversion • Public trust in JM as food source • Transformation in fresh produce market operating practices • JM becoming a fresh produce market leader in innovation relevant to fresh produce 	<p>- JM was able to grow its market share to 45.32% which represents a substantially better growth rate than its counterpart markets in turnover.</p> <p>The capex budget for 2023/2024 financial year allocated for JM was R150 328 000, 00. The total expenditure to date is R101m representing 67.4% expenditure.</p>
2. Improved quality of life and development-driven resilience for all.	<ol style="list-style-type: none"> 1. Reduce poverty and increase productivity 2. Food security that is both improved and safeguarded 3. Access to knowledge and lifelong learning 4. A society characterised by healthy living for all 5. A safe and secure city 6. A city characterised by social 	<ul style="list-style-type: none"> • Safer city 	<ul style="list-style-type: none"> • Clean air and safe food • Food safety assurance • Enhanced JM market site safety on Covid-19 controls • Safe marketplace • JM achieve compliant market facilities and services • 	<p>- Product samples are taken from the trading floor for laboratory testing to evaluate food safety risk and raise awareness with farmers where a food safety risk is considered.</p>

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q2 PROGRESS REPORT
	inclusivity and enhanced social cohesion			
3. An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.	<ol style="list-style-type: none"> 1. Job-intensive economic growth 2. Promotion and support to informal and micro businesses 3. Increased competitiveness of the economy 4. A „Smart“ City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross cutting output 	<ul style="list-style-type: none"> • Smart city • Sustainable economic development • Job opportunity and creation 	<ul style="list-style-type: none"> • Job creation through improved economic development opportunities at Joburg Market environment • Continued produce supply and smart trading ensuring uninterrupted food supply to the community • Johannesburg Market a Smart Market with enhanced service efficiencies and productivity • Smart and effective service delivery maintained as the norm 	<p>- JM successfully contributed to the creation of 41 jobs through Small, Medium, and Micro Enterprises (SMMEs), and 8 internship opportunities.</p> <p>- The organization maintained a 100% compliance with Broad-Based Black Economic Empowerment (BBB-EE) spending, exemplifying its dedication to promoting economic transformation and inclusivity.</p>
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive,	<ol style="list-style-type: none"> 1. Partnerships, intergovernmental & international relations 2. A responsive, accountable, efficient and productive metropolitan government 3. Financially sustainable and resilient city 4. Meaningful citizen participation and empowerment 5. Guaranteed customer and citizen care and service 	<ul style="list-style-type: none"> • Good governance • Financial sustainability • Active and Engaged 	<ul style="list-style-type: none"> • Meaningful state-society engagement • Well informed and confident users of the JM and its services • Efficient market systems and services maximizing user satisfaction and trust 	<p>- There has been improvement in the resolution of audit findings with an 100% achievement for both AG and Internal audit findings</p> <p>- The magnitude of JM’s position in the fresh produce industry is illustrated by the total turnover generated by the market of R5.9 billion which is R1.3b (19.0%) above budget of</p>

GDS 2040 OUTCOMES	GDS OUTPUT	MAYORAL PRIORITIES	JM STRATEGIC OBJECTIVES	Q2 PROGRESS REPORT
<p>locally integrated and globally competitive Gauteng City Region</p>				<p>R4.9 billion.</p> <p>-The company achieved improved financial performance with:</p> <ul style="list-style-type: none"> • The net increase of R72.2m (12.5%) in PPE is due to the addition of projects and depreciation for the period. • Intangible assets decreased by a total of R83k (15.9%) due to asset amortisation for the period. • Intangible assets decreased by a total of R99.6k (19.1%) due to asset amortisation for the period. • Cash and cash equivalents increased by R75.8m (16.0%) due an increase in JM cash reserve and buyer’s deposit. • Loan to shareholder increased by R27.7m (12.6%) due to a positive inflow of funds in the second quarter

Table 21: Joburg Market responded to the strategic objectives for quarter 1

CHAPTER FOUR: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

Section 1: Employee Remuneration

Personnel costs are recorded at R110.9m compared to the budget of R103.1m which amount to over budget of R7.8 m (7.6%).

ELEMENT	*Q2 ACTUAL (CUMULATIVE)
Employee cost actual	R110 942 000
Budgeted amount for Q2	R103 129 000
Variance	R7 813 000
Employee cost of the % of the budget	7.6%

Table 22: Employee Costs for Quarter one

Staff cost versus Opex

Based on the Employee Cost and Total Operating Expenditure budgets for 2023/24, the total employee cost as a percentage of total Operating Expenditure is 43.4%. The overall percentage for Quarter 2 and YTD against the quarterly budget is as per the table below:

ELEMENTS	QUARTER 2
Employee Cost	R110 942 000
Total Opex	R255 882 000
% of employee cost to Opex	43.4%
Remuneration to expenditure ratio	25-40%

Table 23: Employee Costs versus Total Opex

The Joburg Market remuneration to expenditure ratio is higher than the norm as a result of the continuous nature of its operations which includes 24 hours functions, night shift arrangements and certain operations on public holidays

Section 2: Key Variables

2.1: Turn over

2.1.1. Quarterly Turnover rates for FY 2023/24

Quarterly	Total of employee	Total Appointments per Quarter	Terminations per Quarter	Turnover rate per Quarter**
	No.	No.	No.	%
Q1	464	50	7	1.5%
Q2	459	2	7	1.5%

**turnover is calculated by total number termination divided by the average number of employees per quarter x 100

Table 24: Quarterly Turnover rates for F2023/24

2.1.2. Annual Staff Movements for 2023/24:

STAFF MOVEMENTS	AFRICAN		COLOURED		INDIAN		WHITE		TOTAL
	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	MALE	FEMALE	
Appointments	14	33	2	1	0	0	1	1	52
Internal Appointments (upward mobility)	1	0	0	0	0	0	0	0	1
Dismissals	0	0	0	0	0	0	0	0	0
Retirements	1	3	0	0	0	0	2	0	6
Contract Expired	0	0	0	0	0	0	1	0	1
Resigned	2	0	1	0	0	0	0	0	3
Deceased	1	1	0	0	0	0	0	0	2
Medical Board	0	0	0	0	0	0	1	1	2
Transfers	0	2	0	0	0	0	0	0	2
TOTAL	19	39	3	1	0	0	5	2	69

Table 25: Annual Staff Movements for 2023/24

Section 3: Employment Equity

3.1. Employment Equity Demographics Status for Period under Review as at 23/09/2023

The table above reflects the Employment Equity Demographics status which includes the 69 insourced cleaners on the payroll of the CoJ.

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Top management	0	0	0	0	0	1	0	0	0	0	1
Senior Management	2	0	0	0	1	1	0	0	0	0	4
Professionally qualified and experienced specialists and mid-management	10	2	1	3	7	0	0	2	0	0	25
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	46	1	1	2	46	3	1	7	0	0	107

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	A	C	I	W	A	C	I	W	Male	Female	
Semi-skilled and discretionary decision making	67	2	1	2	75	5	0	3	0	0	155
Unskilled and defined decision making	81	3	0	0	82	1	0	0	0	0	167
TOTAL PERMANENT	206	8	3	7	211	11	1	12	0	0	459
Temporary employees	0	0	0	0	0	0	0	0	0	0	0
GRAND TOTAL	206	8	3	7	211	11	1	12	0	0	459

Table 26: Employment Equity Demographics status

Definition of occupational levels is aligned to job grade in terms of the EEA9 from the Dept. of Labour:

Top Management = Grade F (CEO); Senior Management = Grade E (Executive Managers); professionally qualified and mid-management = Grade D (Managers below Executives); Skilled technical and academically qualified workers = Grade C (Specialist workers); Semi-skilled and discretionary decision making = Grade B; And Unskilled and defined decision making = Grade A.

3.2. EE Targets vs Actuals:

OCCUPATIONAL LEVELS	TARGET TO BE ACHIEVED BY JUNE 2027 (THIS TARGET IS SET IN THE 5 YEAR EE PLAN 2022-2027)									STATUS AS @ DECEMBER 2023								
	MALE				FEMALE				TOTAL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W		A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	1	0	0	1	0	0	0	0	0	1	0	0	1
Senior Manager	2	0	0	0	1	1	1	0	5	2	0	0	0	1	1	0	0	4
Mid Manager / Professional	12	2	1	5	16	0	1	2	39	10	2	1	3	7	0	0	2	25
Skilled Tech / Junior Manager	55	1	1	8	57	3	1	9	135	46	1	1	2	46	3	1	7	107
Semi-Skilled	70	2	1	6	74	4	1	5	163	67	2	1	2	75	5	0	3	155
Unskilled	78	4	1	9	77	4	1	0	174	81	3	0	0	82	1	0	0	167
TOTAL	217	9	4	28	225	13	5	16	517	206	8	3	7	211	11	1	12	459

Table 27: EE targets as at Q2 2023/24 The EE status includes 69 insourced cleaners who are on CoJ payroll

Section 4: Local Labour Forum

The EE forum meeting was held in the quarter under review. Critical subject for discussion was the implementation of the Politically Facilitated Agreement.

Section 5: Staff Establishment

DESCRIPTION	2023/24			
	APPROVED NO. OF POSTS	NO. OF EMPLOYEES	NO. OF VACANCIES	% OF VACANCIES
Top management	1	1	0	0
Executive management	5	4	1	20
Middle management	39	25	14	35
Skilled technical/junior management	135	107	28	20
Semi-skilled	163	155	8	4
Unskilled housekeepers/cleaners	174	167	7	4
Total	517	459	58	11

Table 28: Staff Establishment.

The numbers in this table excludes the 69 insourced cleaners on CoJ payroll. These employees are not on JM organisational structure even though permanently placed at JM.

Filing of the vacant Senior Positions:

- The Chief Risk Officer was appointed on the 1st November 2023.
- The recruitment process of eight (8) Interns is still under way and is planned to be completed in Q3.
- The recruitment process of Chief Operations Officer has commenced and is planned to be completed in Q3.
- Seven employees retired in Q2 with two of them being medically boarded due to ill-health.

Section 6: Skills Development and Training

The report on learning and development interventions covers the following:

OCCUPATIONAL LEVEL	MALES				FEMALES				TRAINING INTERVENTION	AMOUNT (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0	None	0
Senior Management	0	0	0	0	0	0	0	0	None	0

Middle Management	1	0	0	0	0	0	0	0	Disciplinary Procedures	8 999
Middle Management	0	0	0	0	0	0	0	1	Principle of Payroll	6 209
Skilled Technical	0	0	0	0	1	0	0	0	Medical Dispensing Training	4 200
Skilled Technical	0	0	0	0	1	0	0	0	SAMTRAC	30 446
Skilled Technical	1	0	0	0	0	0	0	0	Advanced Microsoft Training	13 999
Skilled Technical	0	0	0	0	1	0	0	0	Advanced Contract Management	14 999
Semi-Skilled	0	0	0	0	1	0	0	0	Principle of Payroll	6 209
Semi-Skilled	2	0	0	0	1	0	0	1	Records and Information Management	55 996
Semi-Skilled	1	0	0	0	3	0	0	0	Recruitment Practices	59 996
Semi-Skilled	2	0	0	0	1	0	0	0	Forklift Training	16 181
Semi-Skilled	1	0	0	0	1	0	0	0	Disciplinary Procedures	17 998
Unskilled	2	0	0	0	1	0	0	0	Clean and Maintain Work Area	13 500
Unskilled	0	0	0	0	1	0	0	0	First Aid Level 3	2 310
Total Beneficiaries	10	0	0	0	12	0	0	2	24	251 042

Table 29: skills development and training for Q2

Conferences:

OCCUPATIONAL LEVEL	MALES				FEMALES				TRAINING INTERVENTIONS	AMOUNT (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0		0
Senior Management	1	0	0	0	0	0	0	0	3 rd Annual Employee Mental Health	10 499
Senior Management	1	0	0	0	0	0	0	0	SAIA Hybrid Conference	14 950
Middle Management	0	0	0	0	1	0	0	0	3 rd Annual Employee Mental Health	8 499
Middle Management	0	0	0	0	1	0	0	0	Employee Wellness Seminar	7 998
Middle Management	1	0	0	0	0	0	0	0	Annual Labour Law Seminar	6 248
Skilled Technical	1	0	0	0	2	0	0	0	SAIA Hybrid Conference	44 850
Skilled Technical	1	0	0	0	0	0	0	0	BA Honours: Strategic Communications	42 400
Skilled Technical	1	0	0	0	1	0	0	0	3 rd Annual Employee Mental Health	10 998
Semi-Skilled	0	0	0	0	1	0	0	0	Annual Labour Law Seminar	6 248
Semi-Skilled	0	0	0	0	1	0	0	0	Records Information Management Seminar	13 999
Semi-Skilled	0	0	0	0	3	0	1	2	PA, Secretary Administrator Seminar	89 994
Semi-Skilled	1	0	0	0	0	0	0	0	3 rd Annual Employee Mental	10 499

									Health		
Unskilled	0	0	0	0	0	0	0	0		0	
TOTAL BENEFICIARIES	7	0	0	0	10			1	2	20	267 182

Table 30: Conference attendance for Q2

Subsidised Study Assistance:

OCCUPATIONAL LEVEL	MALES				FEMALES				TRAINING INTERVENTION	AMOUNT (R)
	A	I	C	W	A	I	C	W		
Top Management	0	0	0	0	0	0	0	0		0
Senior Management	0	0	0	0	0	0	0	0		0
Middle management	1	0	0	0	0	0	0	0	PGD: General Management	49 322
Middle management	0	0	0	0	1	0	0	0	Professional Competency Programme	13 984
Middle Management	1	0	0	0	0	0	0	0	Advanced Diploma: Financial Management	32 500
Middle Management	1	0	0	0	0	0	0	0	Cert: Labour Dispute Resolutions	55 600
Skilled Technical	0	0	0	0	1	0	0	0	Professional Competency Programme	6 564
Skilled Technical	1	0	0	0	0	0	0	0	HC: Business Management	14 100
Skilled Technical	0	0	0	0	1	0	0	0	Advanced Contract Management	14
Skilled Technical	1	0	0	0	0	0	0	0	Bridging Course BCTA	25 000
Skilled Technical	0	0	0	0	1	0	0	0	CIPS Diploma	48 498
Semi-Skilled	1	0	0	0	2	0	1	0	Bachelor of Public Administration	105 307
Semi-Skilled	0	0	0	1	0	0	0	0	HC: Business Management	25 200
Semi-Skilled	0	0	0	0	1	0	0	0	BCom: Accounting	25 900
Semi-Skilled	1	0	0	0	0	0	0	0	Cert: Digital Marketing	16 790
Semi-Skilled	1	0	0	0	0	0	0	0	BCom SCM	27 850
Semi-Skilled	0	0	0	0	1	0	0	0	HC: Marketing Management	10 450
Semi-Skilled	0	0	0	0	1	0	0	0	ND: Local Government Management	16 653
Semi-Skilled	0	0	0	0	1	0	0	0	Bachelor of Commerce	30 400
Semi-Skilled	0	0	0	0	1	0	0	0	PGD: Business	39 877

									Administration	
Unskilled	0	0	0	0	0	0	0	0		0
TOTAL BENEFICIARIES	8	0	0	1	11	0	1	0	21	544 009

Table 31: Sub-Ed Assistance for Q2

Section 7: Training and Development Projects to be implemented in F2023/24

- The Skills Audit was concluded in the previous quarter. In November and December 2023, HR was busy conducting departmental workshops discussing the results of the skills audit and the proposed implementation plan of the outcome.
- The Artisan Apprentice Learnership programme scheduled to be rolled out for Artisan, targeting 10 permanent employees for upskilling has failed due to SCM Process.

Section 8: Performance Management and HR Projects

- The performance assessments for 2022/23 have now been completed and the request for the approval of the payment of performance bonus is underway.
- The Supply Chain Management process for the appointment of reputable service provider to conduct work-study was concluded in Q2. It is planned that the service provider will commence its work in Q3.
- The Joburg Market has been accepted to participate in the Top Employers' certification programme. The Top Employers' programme is aimed at measuring/benchmarking the organisational employee practices against the global HR best practices through the audited survey. The survey was completed on the 13 October 2023. The Joburg Market unfortunately did not receive the 60% points required for certification. Management is analysing the results to make the necessary improvements to meet the required standard.

Section 9: Disciplinary Matters and Outcomes

a. Internal Disciplinary Cases

Three disciplinary cases were concluded during this period:

PENDING INTERNAL DISCIPLINARY CASES IN Q1	THE MATTER/TRANSGRESSION	PROGRESS/OUTCOMES
1. Senior Financial Controller	<ul style="list-style-type: none"> The employee was charged for gross negligence and contravention of JM policy. 	<ul style="list-style-type: none"> All parties have submitted/presented their evidence. The closing statements will be submitted on 4th August 2023. <i>Status: We await an outcome from the chairperson for the matter to be closed.</i>
2. Procurement Officer	<ul style="list-style-type: none"> The employee was charged for contravening the Supply Chain Management process. 	<ul style="list-style-type: none"> The employee filed a recusal application (point <i>in limine</i>) in the matter, for the recusal of the chairperson. The Chairperson has recused himself. <i>Status: JM is in the process of appointing another chairperson.</i>
3. Senior Manager: SCM	<ul style="list-style-type: none"> The employee was charged for contravening the Supply Chain Management process. 	<ul style="list-style-type: none"> The employee was placed on suspension on 30 June 2020. Suspension lifted and the employee reported for duty on the 2nd May 2023. <i>Status: JM is still awaiting the final GFIS investigation report to commence with the disciplinary enquiry.</i>
4. Chief Executive Officer	<ul style="list-style-type: none"> The employee was charged for contravening the Supply Chain Management process. 	<ul style="list-style-type: none"> The employee was placed on suspension on 6 May 2021. Subsequently, the case was referred to GFIS for investigation. The employee was charged with contravening the Supply Chain Management processes. Relevant parties entered into a settlement agreement, which culminated in the transfer of the employee to the City Core department, the process is underway and yet to be finalised. <i>Status: The matter is now regarded closed.</i>

Table 32: disciplinary cases concluded in Q2

b. Bargaining Council Cases:

The employee referred an Unfair Dismissal case to the CCMA. The employee was summary dismissed on 12th July 2023 and he referred the case to the CCMA, a default award was granted to the employee. ***Status: Joburg Market lodged a rescission application to the CCMA on the 12 September 2023 and we await the outcome.***

c. Labour Court Cases

JM currently has three (3) labour cases before the Labour Court.

- **Property Administrator:** The employee was dismissed for dishonesty. The employee referred the case for unfair dismissal to SALGBC. The employee lost the arbitration on 4 February 2019. Subsequently, the employee served JM with the Labour Court review papers in February 2021. Due to the employee’s late review application, the employee filed for a condonation application, which was opposed by JM on 29 April 2021. **Status: the case was held on 10 October 2023, the matter was dismissed in favour of JM. The matter is now closed.**

- **Executive Strategy and Transformation:** The employee resigned from JM on 18 January 2018 and referred a case of Constructive Dismissal to the SALGBC. The employee lost the contractive dismissal case on 9 May 2019. Furthermore, the employee served JM with a Labour Court review application. JM opposed the application on 25 February 2021. **Status: No new movement is recorded for this case**

- **Security Officer:** The employee referred an Unfair Discrimination case that related to Equal Pay for Work of Equal Value to CCMA for Arbitration. The CCMA ruled in favour of JM in September 2016. The employee subsequently filed a review application with the Labour Court challenging the CCMA award. The employee has been changing attorneys and this has significantly delayed the finalisation of this matter. **Status: the case was held on 10 October 2023, the matter was postponed sine die.**

Section 10: Leave & Productivity Management

10.1: Leave Analysis – Quarter 2 (FY23/24):

TYPE OF LEAVE	Jul-23	Aug-23	Sep-23	Oct- 23	Nov- 23	Dec-23	Total
Annual Leave	907.32	378.39	284	274.32	262.79	1005	3111.82
Sick Leave	202.07	199.44	137	161	152	78	929.51
Family Responsibility Leave/Parental	13	29	24	19	99	8	192
Study Leave/ Exam	19	5	17	17	153	12	223
Leave Sold	65	226	59	33	62	291	736
Long Service	55	18	40	28	0	16	157

Maternity	0	0	0	95	243	0	338
Special	0	0	0	0	0	8	8
Unpaid	4	0	0	5	0	0	9
IOD	1	1	0	0	0	0	2
TOTAL	1266.39	856.83	561	632.32	971.79	1418	5706,33

Table 33: Leave Analysis.

The table above indicates the number of leave days either taken or sold captured in the payroll system. The reason for decimals in the number of days is a result of the annual leave system design in the payday system.

Section 11: Employee Wellness

a) Employee Health management and administration

- The Clinic has seen a total number of 635 patients in this quarter with a total of 741 conditions attended to.
- The number one cause of clinic consultations is people with respiratory problems , followed by muscular-skeletal problems and the third place is gastro-intestinal conditions,
- The patients with chronic conditions add to the total conditions attended as they present with multiple organ symptoms.
- The employees who came for Family planning has dramatically increased to 105 and received their contraceptives both oral and intramuscular injections. The EPWP beneficiaries are the biggest contributor to this increase as most of them are of child bearing years.
- The number of injuries was 1 COVID case in this quarter and was taken to hospital for further treatment.
- The medical surveillance programme has attended to 19 employees in this quarter.
- WAD (World Aids Day) was commemorated on the 30th of November 2023.
- There were no Covid-19 tests conducted or reported for this quarter.

b) Employee Wellness projects

- a. Retirees: Five (5) employees retired on 31 December 2023, one employee was declared medically unfit in this quarter and were medically boarded and one employee resigned. In line with JM culture, a mini farewell function was held on 13 December 2023 as a courtesy of showing appreciation to retiring employees.

- b. A Blood Drive and Donation session was held on 5 December 2023 at the Joburg Market.

Section 12: Employee Benefits

12.1 Retirement Funds

JM's policy requires that all its employees are members of the retirement fund; and. JM currently has two retirement funds - City of Johannesburg Pension Fund and E-Joburg Retirement Fund with the following number of members:

PENSION/RETIREMENT FUND	MEMBERS
City of Johannesburg Pension Fund	6
E-Joburg Retirement Funds	388 plus 68 insured

Table 34: Pension Fund

12.2. Medical Aid Schemes:

There are three medical aid schemes on offer to JM employees, with a breakdown below on the number of employees on each scheme:

MEDICAL AID SCHEMES	MEMBERS
1. Bonitas	300
2. Discovery Health	34
3. LA Health	10

Table 35: Medical Aid Schemes

12.3. Housing Allowances:

The following are the housing allowances in operation within JM:

- Housing: 93 beneficiaries
- *Gap: 12 beneficiaries

*GAP Market employees are defined as employees whose income is regarded as too low to access bank funded housing finance (mortgage finance), but too high to qualify for the national government's free-basic housing subsidy scheme. This is regulated in terms of the SALGBC collective agreement reached from time to time at the Bargaining Council.

Section 13: Occupational Health & Safety Programmes

This section should provide the quarterly status and programmes relating to Occupational Health and Safety.

10.1 SHE Highlights

- Servicing of Fire Fighting Equipment about 80% completion
- Creation of specification for Fire Fighting Equipment kicked off in December 2023
- Phase 2 of PPE completed, SCM to issue appointment letters to all qualifying bidders
- Fumigation and Decontamination done on monthly basis and performed by JM Staff.
- The assessment of Emergency Evacuation has been completed and the plan is being developed
- New Duty Roster for Cleaners started in October 2023.
- Installed fire extinguishers in Consignment control containers.
- Renovations for change rooms kicked off, project started with Hall 2-3 changed rooms, and the project is managed by Maintenance Department.

10.2. SHE Opex and Capex for Quarter 2

Name of Service Provider	Type of Project	Budget Amount Capex	Budget Amount Opex	Spend to date	Project Milestone	Mitigation Due Date	Rating
Panel of Service Providers	PPE project (General PPE) 36 months contract	N/A	R5 000 000.00	R1 081 923 .75	Below PPE for Phase 1 was distributed (Security, Consignment, EPWP, Cleaners, Core Operations) <ul style="list-style-type: none"> • Freezer Suits • Conti Suits • Safety Boots • Gumboots 	mitigated	
	PPE project (General PPE) 36 months contract			(R3 918 076.25)	Phase 2 has not commenced: <ul style="list-style-type: none"> • All outstanding items will be completed during Phase 2. • SCM to finalise appointment letters to all 	In progress	

Name of Service Provider	Type of Project	Budget Amount Capex	Budget Amount Opex	Spend to date	Project Milestone	Mitigation Due Date	Rating
					qualifying bidders.		
Panel of Service Providers	Health PPE (36 months contract)	N/A	R1 820 349.00	R1 331 503 .00	An appointed panel of service contractors still running contract will expire 28 February 2024.	On track	
Botsengkwala	Hygiene services	R3 000 000.00	N/A	R1 855 942 .45	Project still on track	On track	
Vamanda Pty Ltd	Evacuation Services (developing evacuation plan)	N/A	R200 000.00	Nil	<ul style="list-style-type: none"> The work has started, has not completed The Service Provider has started work but has not invoiced for the work done so far. The assessment has been completed and the plan is being developed 	On track	
Bidvest Steiner	Rodent Control 36 months contract	N/A	R673 723.69	R122 844.18	Monthly service, on year one	On track	
Royal Pest Management	Insect & Weed 36 months contract		R1 049 281.81	R163 990.10			

Name of Service Provider	Type of Project	Budget Amount Capex	Budget Amount Opex	Spend to date	Project Milestone	Mitigation Due Date	Rating
Bizzy Fire Control (PTY) LTD	Servicing Fire Fighting Equipment 6 months contract	N/A	R200 000.00	In-progress	<ul style="list-style-type: none"> Project ongoing Project kicked off during September 2023 	On track	
Bizzy Fire Control (PTY) LTD	Creating specification for replacing and repairing Fire Fighting Equipment		R200 000.00	In-progress	<ul style="list-style-type: none"> Project ongoing Project kicked off in December 2023 	Project has not commenced	
Total		R3 000 000.00	R9 143 354.00	R4 556 203.48			

Table 36: SHE Opex and Capex for Quarter 2

10.3. Physical Inspection Findings

IUM conducted a fire inspection survey in July 2023; the following findings are being addressed in a phase approach.

No.	Risk Description	Status as at Q1	Status as at Q2
1	It was recorded that some fire equipment was damaged and therefore not in compliance with the SANS 1475-1	Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.	The specification compilation Project kicked-off during December 2023.
2	Fire extinguishers were found to have been missing from the designated areas. All fire extinguishers must be wall-mounted in the designated areas as per SANS 10105-1:2005	Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.	The specification compilation Project kicked-off during December 2023.
3	It was indicated on some of the fire hose reels within the fresh produce platforms, "no water" on the fire hose reels. It needs to be ensured that Joburg Market informs the fire equipment service provider to check the water flow and pressure in the fire hose reels as per	Service Provider appointed to create specification to replace or repair Fire Fighting Equipment.	The specification compilation Project kicked-off during December 2023.

No.	Risk Description	Status as at Q1	Status as at Q2
	SANS 10105		
4	The sprinkler system installed at roof level was not extended through the mezzanine levels. It must be ensured that the sprinkler systems are extended through the mezzanine levels, to prevent the possibility of the sprinkler system being overwhelmed in the event of a fire.	<ul style="list-style-type: none"> The project is at 70% Tanks are at 100% Pump house is at 100% Piping and installation of pumps is at 81% The phase of the project is estimated to be complete in Q1	<ul style="list-style-type: none"> The project is at 90% Piping and installation of pumps is at 85% The project is experiencing a delay on the delivery of domestic water pump. It is stuck at Durban Harbor.
5	It needs to be ensured that all damaged thermal insulated panelling are replaced by an approved installer as per SANS 10400T 4.41	Works on the ISO-panelling by the service provider is currently at 40%	Project is at 50%.
6	Several distribution boards within the inspected risk were open and had no cover-plate. This exposes the circuits and switches to dust build-up and is a fire and dust explosion risk to the environment. It needs to be ensured that all cover plates are installed onto all distribution boards as per SANS 60670-1:2015	Project expected to start in Q2.	Appointed panel of service providers to conduct conditional assessment on 5 disciplines in Q3.

Table 37: Physical Inspection Findings

10.4. SHE Lowlights

- Progress in monitoring the implementation of identified HIRA findings too slow.
- There is insufficient Emergency lighting during load shedding or power outages.
- Poor lighting is posing a huge risk for nightshift staff as some areas are unable to be cleaned during the night.
- Awaiting approval for the appointment of the two SHE Environmental officers.
- Demarcation on the trading platforms stills a challenge.
- Appointed Safety Committee members awaiting training
- Lack of Scrubbing on common areas.
- Manhole drain covers are stolen throughout Joburg Market.

CHAPTER FIVE: FINANCE PERFORMANCE RELATED ACTIVITIES

Section 1: Statement of Financial Position and high-level notes

1.1. Short Term Financial Strategy

JM appreciates the fact that its short-term financial goals should be achievable and adaptable to emerging circumstances in the fresh produce industry. As indicated under section 2.1 below 85.1% of JM income is derived from commission. This income source is constantly facing the risk of erosion practises within the value chain and hence JM will in the short term refine its central trading governance and systems to protect its -collection of revenue from this stream. The statement of JM's financial position is tabulated below.

STATEMENT OF FINANCIAL POSITION for the period ended 31 December 2023

	R'000	R'000
	Actual	Actual
ASSETS	2023 Dec	2023 June
Non-current assets	685 779	614 664
Property, plant and equipment	648 887	576 707
Investment property	26 220	27 185
Intangible assets	421	520
Deferred tax	10 252	10 252
Current assets	923 755	851 317
Trade and other receivables	111 591	97 667
Loans to shareholders	248 276	220 547
Statutory Receivable	14 250	59 250
Cash and cash equivalents	549 639	473 853
Total assets	1 609 535	1 465 981
NET ASSETS AND LIABILITIES		
Net Assets and Liabilities	1 157 546	1 066 969
Contribution from owner	20 000	20 000
Accumulated funds	1 137 546	1 046 969
Non-current liabilities	13 486	13 486
Employee benefit obligations	2 530	2 530
Deferred tax	10 956	10 956
Current liabilities	438 502	385 526
Trade and other payables	433 122	381 660
Provisions	5 380	3 866
Total equity and liabilities	1 609 535	1 465 981

Table 38: Statement of financial position for the period ended 31 December 2023

1.2: Statement of Financial Position Variance Analysis

- The net increase of R72.2m (12.5%) in PPE is due to the addition of projects and depreciation for the period.
- Intangible assets decreased by a total of R99.6k (19.1%) due to asset amortisation for the period.
- Cash and cash equivalents increased by R75.8m (16.0%) due an increase in JM cash reserve and buyer's deposit.
- Loan to shareholder increased by R27.7m (12.6%) due to a positive inflow of funds in the second quarter.

Section 2: Statement of Financial Performance and high-level notes

	Period ended 31 December 2023						
				Variance			
	Actual R '000	Budgeted R '000	Last Year R '000	Actual vs Budget R'000	Actual vs Last Yr R'000	Actual vs Budget %	Actual vs Last Yr %
Turnover	5 875 059	4 938 600	4 977 982	936 459	897 077	19,0%	18,0%
Tonnage	675	717	757	(42)	(83)	-5,9%	-10,9%
Rand/Ton	R 8 709,7	R 6 888,8	R 6 575,1	1 821,0	2 134,6	26,4%	32,5%
Revenue	339 373	316 243	293 128	23 130	46 245	7,3%	15,8%
Expenses	(255 882)	(259 538)	(227 352)	3 656	(28 530)	-1,4%	12,5%
Surplus before interest & tax	83 491	56 705	65 776	26 786	17 715	47,2%	26,9%
Net interest (paid)/earned	31 105	16 472	19 176	14 633	11 929	88,8%	62,2%
Internal Charges	-	-	-	-	-	-	-
Surplus before tax	114 595	73 176	84 951	41 419	29 644	56,6%	34,9%
Taxation	-30 937	-19 758	-25 349	(11 179)	(5 587)	56,6%	22,0%
Surplus	83 659	53 418	59 602	30 240	24 057	56,6%	40,4%

Table 39: JM high level performance of the entity

Joburg Market's Q2 financial performance as at 31 December 2023 recorded a surplus of R83.7m against a budgeted surplus of R53.4m. Surplus after tax is above the budget by R30.2m which has resulted in a variance of 56.6%. The entity's Revenue has increased by R46.2m (15.8%) compared to the prior year's performance, however, total expenditure also decreased by R28.5m (12.5%) compared to the prior year's due to increased spending on Marketing (Donations) and Finance and administration (Management consulting).

2.1 Turnover and Revenue Analysis for quarter 2

Turnover & Revenue							
Period ended 31 December 2023							
				Variance			
	Actual	Budget	Last Year	Actual vs Budget	Actual vs Last Yr	Actual vs Budget	Actual vs Last Yr
	R '000	R '000	R '000	R '000	R '000	%	%
Turnover	5 875 059	4 938 600	4 977 982	936 459	897 077	19,0%	18,0%
Tonnage	675	717	757	(42)	(83)	(5,9%)	(10,9%)
Rand/Ton	R 8 709,74	R 6 888,76	R 6 575,13	1 821	2 135	26,4%	32,5%
REVENUE	339 373	316 243	293 128	23 130	46 245	7,3%	15,8%
Cold storage facilities	675	1 933	2 828	(1 258)	(2 153)	(65,1%)	(76,1%)
Ripening facilities	368	773	1 204	(405)	(836)	(52,5%)	(69,5%)
Commission 5%	293 753	246 930	248 899	46 823	44 854	19,0%	18,0%
Direct Delivery Comm	5 987	1 934	4 693	4 053	1 294	209,5%	27,6%
Pallets	635	755	636	(120)	(1)	(15,9%)	(0,2%)
Prepaid Electricity	-	-	-	-	-	0,0%	0,0%
Cash Handling fee	3 636	3 159	3 089	477	547	15,1%	17,7%
Gourmet Fresh - Transp	2 837	-	-	2 837	2 837	0,0%	0,0%
Trolley Rental Deposit	43	53	49	(9)	(6)	(17,2%)	(11,7%)
Electricity recovery	13 545	25 280	10 396	(11 734)	3 149	(46,4%)	30,3%
Water recovery	4 536	15 385	5 232	(10 848)	(695)	(70,5%)	(13,3%)
Rental Income	12 822	13 345	12 214	(523)	608	(3,9%)	5,0%
Floor storage fees	513	1 857	1 086	(1 344)	(572)	(72,4%)	(52,7%)
Sundry revenue - other	24	4 842	2 803	(4 818)	(2 779)	(99,5%)	(99,2%)

Table 40: JM revenue as 31 December 2023

The revenue streams have contributed to revenue as follows:

- Commission income = 86.6%
- Rental income (including both water and electricity recoveries) = 9.1%
- All other Sundry revenue = 4.3%

2.2: Revenue Variance Analysis

Total revenue for Q2 - 31 December 2023 is recorded at 339.4m compared to the budget of R316.2m. This represents a positive variance of R23.1m (7.3%) when compared to the budget.

- *Storage Facilities* :Cold Storage is recorded at R675k compared to the budget of 1.9k which amounts to a negative variance of R1.3m (65.1%) and Banana Ripening is recorded R368k compared to the budget R773k amount to a negative variance of R405k (52.5%) due to insufficient revenues to cover the electricity costs of running facilities.
- *Commission revenue and Direct Deliveries commission*: Commission income is recorded at R293.8m compared to the budget of R246.9m which amounts to a positive variance of R46.8m (19.0%) as a result of higher price (demand vs supply).

- *Direct Deliveries* is recorded at R6.0m compared to the budget of R1.9m which amounts to a positive variance of R4.1m (209.5%) due to an increase in direct consignment received.
- Electricity recovery is under the budget by 11.7m (46.4%) due to smart meter project not yet being fully operational and water recovery is under budget by R10.8m (70.5%).

2.3: Operational Expenditure Analysis for quarter 2

	Period ended 31 December 2023							
					Variance			
	Actual	Budget	Last Year	Actual as % of Total	Actual vs. Budget	Actual vs. Last Yr	Actual vs. Budget	Actual vs. Last Yr.
	R '000	R '000	R'000	Expense	R'000	R'000	%	%
Expenses	255 882	259 538	227 352	100%	-3 656	28 530	-1,4%	12,5%
Personnel costs	110 942	103 129	101 490	43%	7 813	9 451	7,6%	9,3%
Human Resources	18 982	8 896	7 009	7%	10 087	11 973	113,4%	170,8%
Marketing	2 981	1 604	1 171	1%	1 377	1 809	85,9%	154,5%
Repairs and Maintenance	24 866	30 718	20 484	10%	-5 852	4 383	-19,0%	21,4%
Operations	66 452	78 661	64 748	26%	-12 209	1 704	-15,5%	2,6%
Information Technology	3 945	6 577	5 261	2%	-2 632	-1 316	-40,0%	-25,0%
Finance and administratio	12 582	14 713	13 348,10	5%	-2 131	-766	-14,5%	-5,7%
Depreciation	15 133	15 243	13 841	6%	-110	1 292	-0,7%	9,3%

Table 41: Operational Expenditure Analysis for the quarter ended 31 December 2023

Total operating expenditure for Q2 is recorded at R255.9m (excluding internal charges) compared to the budget of R259.5m. This represents an under budgeted of R3.6m (1.4%) when compared to the budget.

- Personnel costs expenditure is over budget by R7.8m (7.6%) due to the filling of critical vacancies
- Operations Expenditure is below budget by R12.2m (15.5%) due to expenditure due to under spending on cleansing contracts.
- Information Technology is R3.9m compared to the budget of R6.6m which represents an under budget by R2.6m (40.0%) due to the Microsoft license project not implemented. The procurement of Microsoft licenses is centralized through City Group Information Technology.
- Marketing cost is over budget by R1.4m (85.9%) due to an increase of donation parcels and indigents projects requests.
- Finance and administration is under-budget by R 2.1m (14.5%) due to reclassification of management consulting expenditure.

2.4: Stakeholder Engagements

During the period under review a number of tenants' engagements were held including engagements on collections and signing of lease agreements.

JM also continued to sustain a cordial relationship with CoJ Group Finance and municipal entities providing services to JM. The latter include amongst others project management engagements with JPC on the project management of the Tshiamo Market as well as Joburg Water on accounting of water consumption charges to JM. The Company wishes to express its appreciation for the cooperation and support enjoyed during these engagements.

Section 3: Cash Flow Statement.

	R'000 Actual 31-Dec-23	R'000 Actual 30-Jun-22
Cash flows from operating activities		
Receipts		
Sale of goods and services	376 356	633 596
Interest income	31 027	24 052
Other receipts	0	5 140
	407 383	662 788
Payments		
Employee costs	-115 336	-187 429
Cash paid to supplier	-140 539	-307 237
Tax paid	-15 693	-38 446
Finance costs	-	-428
	-271 568	-533 540
Net cash flows from operating activities	135 815	129 248
Cash flows from investing activities		
Purchase of property, plant and equipment	-34 939	-115 215
Loan to shareholder - Sweeping account	-25 090	-19 916
Net cash flows from investing activities	-60 029	-135 131
Cash flows from financing activities		
Repayment of shareholders' loan	-	-4 206
Post Retirement Liabilities	-	-456
Net cash flows from financing activities	-	-4 662
Net increase in cash and cash equivalents	75 786	-10 546
Cash and cash equivalents at the beginning of the year	473 853	208 342
Cash and cash equivalents at the end of the year	549 639	197 796

Table 42: Cash flow statement for the 1st quarter 31 December 2023

Section 4: Capital Projects & Expenditure

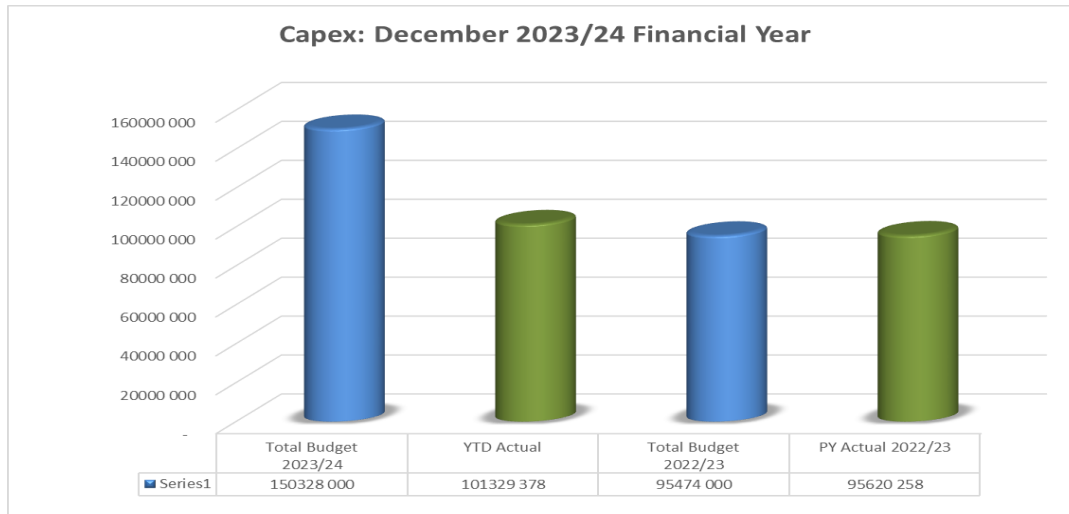


Figure 12: Capital Expenditure Analysis for the quarter 1st ended 31 December 2023

4.1: Capital Projects

Capex spend as at 31 December 2023 is recorded at R101.3m against a total budget of R150.3m. This represents 67.4% spent against the total budget.

JFPM	JFPM	JFPM	JFPM	% Actual against budget
CAPEX	Project	Approved Budget	Actual Spent	
JSIP Number	Description	R	R	
2598	Upgrades to the main building (Mandela market, cold rooms offices & food courtyard)	18 753 000	4 202 186	22,41%
3331	Installation of Sprinkler System(Fire Suppression System OHSA)	8 075 000	8 075 000	100,00%
22489	Upgrade of Banana Ripening and Cold Rooms	20 000 000	10 340 767	51,70%
22541	Smart market project	1 500 000	-	0,0%
22547	Alternative Energy Systems	40 000 000	40 000 000	100,00%
23093	Installation of smart meters - revenue protection	12 000 000	12 000 000	100,00%
24064	Rocker bins	2 000 000	-	0,00%
24065	Ring feed	26 000 000	26 000 000	100,00%
31060	Cashless project	20 000 000	-	0,00%
31063	Soweto market	2 000 000	-	0,00%
	Unbudgeted			
	Technical equipment	-	711 426	0,00%
Total		150 328 000	101 329 378,4	67,4%

Table 43: Capital expenditure project for the quarter

Section 5: Ratio Analysis (minimum: liquidity, solvency, cost coverage)

5.1 Key financial ratios for quarter 2

Financial ratios	Norm	Q4-1
Liquidity (CA/CL)	1.5:1	2.1:1
Solvency (Total Assets/Total Liabilities)	2.0:1	3.6:1
Debtor's days (average collection period)	30	60
Cash Cover (days)	30 - 90 Days	630
Remuneration to expenditure ratio (Incl EPWP)	25-40%	45.0%
Remuneration to expenditure ratio (Excl EPWP)	25-40%	44.2%

Table 44: Analysis of Key Ratios for the quarter

The Joburg Market remuneration to expenditure ratio is higher than the norm as a result of the continuous nature of its operations which includes 24 hours functions, night shift arrangements and

certain operations on public holidays. JM has a healthy Balance Sheet in terms of both liquidity and solvency; this indicates that the company has sufficient assets to cover its operations in the short term

It is worth noting that it takes 57 days for debtors to pay amounts owing to Joburg Market against the required norm of 30 days.

5.2 Analysis of Debtors Collections for the quarter 1

An amount of R29.6m has been collected during the reporting period against a billing figure of R39.8m. The collection rate achieved year to date is 74% against a target of 95%.

Billing and collections rate Quarter YTD 2022/23							
Billing							
Descriptions	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	YTD
Total of Rental & Utilities	2 976 549	5 041 777	5 231 282	6 573 933	6 361 760	6 949 873	33 135 175
Total of Cold Storage & Ripening	2 476 783	917 926	986 138	935 263	1 083 415	635 654	7 035 178
Total Billing	5 453 332	5 959 703	6 217 420	7 509 196	7 445 176	7 585 526	40 170 353
Collections							
Total of Rental & Utilities	3 711 755	4 405 062	2 612 491	3 274 044	3 870 305	5 372 676	23 246 333
Total of Cold Storage & Ripening	1 261 497	1 242 980	1 545 162	669 870	722 288	994 973	6 436 770
Total Collection	4 973 253	5 648 043	4 157 652	3 943 914	4 592 593	6 367 649	29 683 103
Collection percentages							
Descriptions	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	YTD
Rental & Utilities Rate	125%	87%	50%	50%	61%	77%	70%
Cold stores & Ripening	51%	135%	157%	72%	67%	157%	91%
Total Average collection	91%	95%	67%	53%	62%	84%	74%

Table 45: Billing and Collections rate as at 31 December 2023

5.3 Bad Debts

Provision for bad debts amounted to R36.7m. There has been no increase in provisions in the current financial year as adjustments are done at the end of the financial year.

5.4. Analysis of Cash Collections 1st quarter ended 31 December 2023

Buyers Deposit

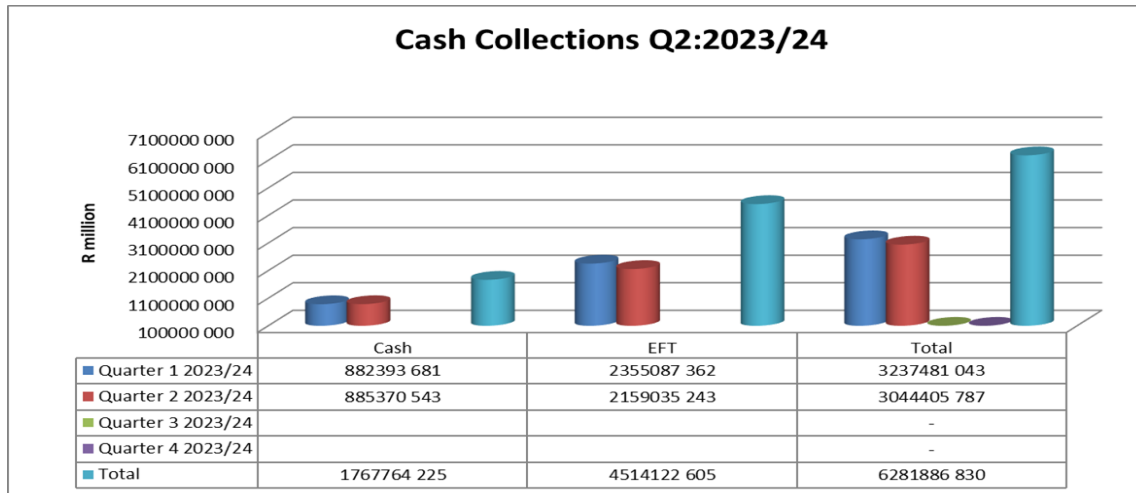


Figure 13: Cash collections for 1st quarter 31 December 2023

A total collection of R R6.3billion was collected during the first quarter.

5.4.1 Cashiering Shortages & Recoveries



Figure 14: Cashiering shortages & recoveries 1st quarter ended 31 December 2023

- A total collection of R952.3 million was collected during the month of December, 2023/2024 compared to R934million collected in the month of December 2022/2023. There is a notable Increase of about 1.9% compared to prior year.
- The total shortages for December 2023/2024 are R0 against recoveries the closing balance of R461 312.08 (All receipts to be processed in January 2024). The department closing

shortage for the month of December 2023 amounts to R0.00 balance. There is a Decrease of (R16, 063.81) compared to 2022/2023.

Section 6: Analysis of Supply Chain Management (SCM)

6.1 Deviation

The accounting officer followed due processes in considering the need for deviations. The entity incurred the following deviations which are illustrated in the table below:

No	Service Provider	Type of Deviation	Reason/s	Approved Deviation amount
1	Kya Guards(Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Additional security and equipment for a period of three(4) months. Security officers patrol outside the Joburg Market precinct in order to prevent crime.	R 635 452,46
2	Waterless (Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Emergency supply of Generator diesel	R 1 040 000,00
3	Serve Isizwe Holdings (Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Emergency repairs, re-program and re-calibrate the banana ripening ABB control system	R 377 482,90
4	Three (3) service providers Mojalefa Projects (Pty)Ltd Midic (Pty)Ltd and Iyforever Trading (Pty)Ltd	Emergency (MFMA section 36 (a) (i))	Jorburg Water could not supply water to the entire City of Joburg, entities as well as the city residents. Toilet rental is part of an essential service for business continuity at Joburg Market	R 899 000,00
5	Mailcomp (Pty)Ltd t/a Egis Software	Emergency (MFMA section 36 (a) (i))	License renewal on the Egis- software in the Joburg Market environment. Mailcomp (Pty)Ltd t/a Egis Software is the sole supplier and developer of Paper Trail Content management solutions and its surroundings tools	R 53 763,75
6	Kya Guards(Pty)Ltd	Exceptional (MFMA section 36 (a) (iv))	Due to unforeseen delays in finalizing the tender process and the appointment of the new security service provider, Joburg Market would be left exposed when Kya Guards withdraws its security resources on the 31st of October. The security contract was then extended for a period of month-to-month basis until the security tender is finalized.	R 3 774 421,00
7	Elphash Trading Enterprise CC	Emergency (MFMA section 36 (a) (i))	Additional security to patrol outside the Joburg Market precinct in order to prevent crime on a month to month basis until the security tender is finalized	R 840 000,00
8	Ngwenyama Electrical CC	Emergency (MFMA section 36 (a) (i))	Emergency work of repairing the S56 High Tension (HT) switch at High voltage (HV) room including all safety control of the switch.	R 367 161,19
TOTAL				R 7 987 281,30

Table 46: Deviation for Q2

6.2 Irregular Expenditure

The entity incurred the following irregular expenditure which is illustrated in the table below:

Name of Supplier	UIFW	Reasons for the Deviation	Amounts
Morubisi Technologies (Pt)	Irregular	COJ Promised to do insource and did not materialize. Service provider appointed on CAPEX components. The Joburg Market appointed MTC to render the CCTV services, but to date has not been able to render such services. However for the sake of business continuity, Morubisi has been kept on, expenditure on Morubisi is already more than 15% allowed for	3 380 402,00
Afrivent Fleet Rental	Irregular	Original COJ Contract declared irregular by the Auditor General. The contract istus extended on a six (6) months basis	746 941,05
Avis Fleet Rental	Irregular	Original COJ Contract declared irregular by the Auditor General	83 465,66
Total			4 210 808,71

Table 47a: Irregular expenditure incurred during the review period

Prior year the irregular expenditure for actual expenditure exceeding the budget vote has no relation to supply chain processes # all instances of irregular expenditure incurred in the current year relates to contracts identified as irregular in the preceding periods.

6.3 Fruitless and Wasteful Expenditure

The company incurred the following fruitless and wasteful expenses as outlined in the table below:

No.	Service Provider	Reasons	R
-	None	N/A	0
TOTAL			0

Table 48b: Fruitless and Wasteful expenditure incurred in the current financial year

6.4 BBB-EE Expenditure for the Period

Expenditure	YTD -Actual JM Spend	Spent on related parties	Available Amount	YTD spent on BBB-EE	YTD % spent on BBB-EE
	(R)	(R)	(R)	(R)	
OPEX	132 147 334	-42 902 174	89 245 161	89 245 161	100%
CAPEX	101 329 378	-68 403 012	32 926 366	32 926 366	100%

Table 49: Joburg Market BEE Procurement Spending During the Acquisition of Goods and Services as At 31 December 2023

6.4.1: OPEX Expenditure: The total amount spent for OPEX is R132 147 334. Included in there is an amount of R 42 902 174 which does not form part of the total actual expenditure on BBB-EE as it was spent on CoJ entities namely; JPC, MTC, City Power JWater and Pikitup.

6.4.2. CAPEX Expenditure: The total amount for CAPEX is R101 329 378. Included in that total is an amount of R68 403 012 which has been deducted from the total CAPEX expenditure as it was spent on projects that were carried out by CoJ related entities namely; JPC & City Power.

6.5 Payments within 30 days

	31-Jul	31-Aug	30-Sep	31-Oct	31-Dec	31-Dec	YTD
Total Payments	74	96	96	72	85	82	505
Paid Within 30 Days	74	96	96	72	85	82	505
Percentage Achieved	100%	100%	100%	100%	100%	100%	100%

Table 50: Payment of suppliers within 30 days

The payment of suppliers within 30 days is recorded at 100% compared to the target of 100% required by the JM KPI.

Section 7: Pending Litigations and Possible Liabilities

DETAILS OF MATTER	AMOUNT (R/M)
Dispute with a company regarding professional fees in respect of road rehabilitation	1 080 017
Total	1 080 017

Table 51: The table above depicts contingent liabilities of the entity as at 31 December 2023

Section 8: Insurance Claims

The Insurance claims were R3.9 52Million for produce damaged at cold and banana ripening rooms. Claims have been submitted to the Broker, African Dawn for payment.

Section 9: Statement on Amounts Owed By and To Government Departments and Public Entities

The entity wishes to disclose the following monies receivable from organs of government:

Amounts owed by related parties		
Name of Department/Entity	31-Dec-23	30-Jun-23
The City Of Johannesburg Metropolitan Municipality	286 958 094	231 878 245
The Johannesburg City Parks/Zoo	411 250	370 298
Total	287 369 344	232 248 543
Amounts owed to related parties		
Name of Department/Entity	31-Dec-23	30-Jun-23
The City Of Johannesburg Metropolitan Municipality	182 553 114	166 666 165
Johannesburg Metro Trading Company	5 439 287	5 482 224
Johannesburg Property Company	60 082 852	58 519 412
The Johannesburg City Parks/Zoo	0	590 974
Total	248 075 253	231 258 774

Table 52: Amounts owing by government departments and public entities

Section 10: Austerity Measures Implemented

In order to achieve savings JM has continued with the limitation of the following measures:

- Cost Containment processes;
- Limitation of official travelling

CHAPTER SIX: INTERNAL & EXTERNAL AUDIT FINDINGS

Section 1: Progress on approved Internal Audit Plan

Internal Audit performs its duties in accordance with the S165 of the MFMA and other relevant legislation and frameworks.

The scope of Internal Audit work is to provide reasonable assurance on whether the organisation’s network of risk management, control and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure that, amongst others:

- There is effectiveness and efficiency of operations.
- There is adequate compliance to laws and regulations and significant legislative or regulatory issues impacting the organisation are recognised and adhered to.
- Safeguarding of assets.
- Risks are appropriately identified and managed.
- Significant financial, operating and performance information is accurate, reliable and timely.

The following is a summary of progress on the approved internal audit plan for 2023/24 as of 31 December 2023. The 2023/24 audit plan was approved during Q2 and will be the focal point for the Internal Audit team henceforth.

Description	Progress status on the plan – Q2				
	Project Allocation	Not started	Planning & Execution	Reporting	Complete
Planned audits for the year	18	9	8	0	1
Percentage	100%	50%	44%	0%	6%
Prior year figures (30 June 2023)					90%

Table 53: approved internal audit plan for 2022/23 as of 31 December 2023

During Q1 and Q2 the audit team was responding to the AGSA external audit and the focus on the plan will resume during Q3 ending 31 March 2024.

Section 2: Progress on Resolution of Internal Audit Findings

Internal audit conducts follow-up audits to ensure that the agreed action plans are implemented within agreed timeframes; root causes are identified and repeat findings are prevented. Efforts are focused on ensuring that findings classified as “high risk” receive adequate management attention.

The following is a summary of movements in the 2023 Internal Audit findings up to 31/12/2023.

Internal Audit	Total finding	Q2	Q3	Q4	Total resolved	% Resolved	Closing findings
Internal Audit –2023 FY	56	40	-	-	40	71%	16
Total	56	40	-	-	40	71%	16

Table 54: summary of movements in the 2022 Internal Audit findings up to 31/12/2023

A new summary of Internal Audit findings for the 2023 FY is currently being drafted and refined. The remaining findings will be followed up and classified as resolved up to 30 June 2024.

Section 3: Progress on Resolution of External Audit Findings (AGSA)

The following is a summary of movements in the AGSA Audit findings during Q2 up to 31/12/2023.

External Audit	Total findings	Q2	Q3	Q4	Total resolved	% Resolved	Closing findings
AGSA- 2023 FY	15	10	-	-	10	67%	5
Total	15	10	-	-	10	67%	5

Table 55: AGSA Audit findings during Q2 up to 31/12/2023

A new summary of audit findings for the 2023 FY was drafted for the findings issued by the AGSA by 30/11/2023 and will be followed up for the remainder of the 2023/24 financial year.

Section 4: UIFW Expenditure written-off during the year

The following table indicates investigated amounts that were recommended for write-off. The consequence management and other actions that emanated from the investigations are dealt with separately.

	Irregular	Fruitless & Wasteful	Total
Opening balance	245 496 538	50 944 644	296 441 182
Amount approved for write off - Aug 2022	(56 358 207)	(16 003 050)	(72 361 257)
New UIFWe - 30 Jun 2023	10 541 264		10 541 264
Amount approved for write off - Jun 2023	(172 587 807)		(172 587 807)
Total write-offs	(228 946 014)	(16 003 050)	(244 949 064)
Balance - 30 Jun 2023	27 091 788	34 941 594	62 033 382

Table 56: UIFW write off for 2022/23

The above summary table of UIFWe and related investigations will be updated during Q3 ending 31 March 2024.

New investigations were performed during Q2 ended 31/12/2023 and are still in progress. Additional investigations will be conducted during the remainder of the financial year ending 30 June 2024.

Section 5: Effectiveness of Internal Controls for Q2 ending 31 December 2023

The overall assessment within JM is that the effectiveness of internal controls improved during the 2nd Quarter ending 31 December 2023.

The internal controls are thus evaluated as adequately designed and partially effective, i.e. “require improvement” during the first half of the 2024 financial year. Below are some of the reasons for this assessment.

It is noteworthy to state that Joburg Market obtained a clean audit outcome from the AGSA’s audit outcome for the year ending 30 June 2023.

The evaluation of internal controls is critical in ensuring that JM has adequate and effective systems, processes, policies and procedures that support the achievement of organisational objectives. Internal controls are designed and implemented by Management in the execution of day-to-day operations. Internal audit makes an assessment of the effectiveness of internal controls based on the results of audits conducted in various areas and other interactions within the entity.

Internal audit noted continuing improvement in the effectiveness of the internal controls during the 2nd quarter ending 31 December 2023.

Management continued providing measures to strengthen the capacity of crucial departments that recently had vacancies in key positions. Staff members that were on precautionary leave have been brought back and have settled in their positions.

This serves to improve the capacity of the entity and the effectiveness of internal controls.

JM currently has adequate capacity to deal with CAPEX and Repairs and maintenance because most of the panels of service providers have been in place since the 2021 financial year. A combination of noted improved staff capacity and the various Panels on different disciplines further improved the control environment and effectiveness of operations of JM.

The internal controls are thus evaluated as adequate and partially effective, i.e. “require improvement” during the quarter ended 31 December 2023.

Annexure A – KPI Definitions

TECHNICAL INDICATOR DEFINITIONS FOR JM KPIs

KPI NO	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
1.1	% Targeted market share held by JM in relation to other FPMs	This KPI aims at Joburg Market achieving a set quarterly target market percentage share rating in relation to the 18 fresh produce markets of which the national statistics are published monthly by the SAUFM. * SAUFM– South African Union of Food	This information comes from Monthly National Statistical Reports generated by the South African Union of Food Markets	The indicator is calculated by dividing the turnover at JM by the total turnover in 18 national fresh produce markets, multiplied by 100 to get the percentage	JM is wholly dependent on statistical information received from SAUFM. <u>MOV</u> : For the 17 member markets use monthly markets return to populate JM	The indicator is measuring outcomes	The reported performance is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Snr. Manager Strategic planning

KPI NO	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
		Markets for member markets. *NDAFF – National Department of Agriculture, Forestry and Fisheries for Cape Town Market.		market share	control sheet For Cape Town Market use the Monthly official NDAFF report to populate the JM control sheet. The JM control sheet produces the exact calculation of JM market share.						
1.2	RBn turnover	The KPI measures the value of produce sold	The KPI is intended to	The information	Monthly and Quarterly	No limitation	The reported indicator is	The indicator is reported	The indicator continues	Performance that is higher is	Executive: Operations &

KPI NO	KPI	SHORT DEFINITION	PURPOSE / IMPORTANCE	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION AND METHOD OF VERIFICATION (MOV)	DATA LIMITATION	TYPE OF INDICATOR	CALCULATION TYPE	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY
	achieved	on the JM through its SPS system.	indicate progressive growth in turnover	is derived from SPS	Sales figures are aggregated to produce a cumulative figure <u>MOV:</u> Generate the monthly report for turnover on JM from the SPS central trading system	identified	cumulative	quarterly	without change from previous year	desirable	CFO

TECHNICAL INDICATOR DEFINITIONS FOR GATEKEEPER KPI'S

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
1.4	Percentage operating budget spent against approved budget	Operational costs spent by the organization against the allocated budget the organization against the allocated budget. The objective is to improve, stabilize and sustain a positive financial position	JM financial accounts	Actual costs /Allocated budget *100	None	Cumulative	Monthly	No	95%
1.7	Percentage capital budget spent against approved capital budget	The Capex spent on projects against the approved budget. The objective is to improve, stabilize and sustain a positive financial position	JM financial accounts	Total Capex spend divide by the budget Capex spend* 100	None identified	Cumulative	Monthly	No	95 %
1.3	Percentage of spent on repairs and maintenance to property, plant and equipment.	It measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery.	JM financial accounts	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	None identified	Cumulative	Monthly	Yes	8%
1.5	Percentage reduction in unauthorized, irregular,	Percentage reduction on UIFWE compared to the previous financial year AG finding.	JM financial accounts	The UIFW Expenditure closing balance of the current financial year against (will be compared	None	Non-Cumulative	Quarterly/ Annually	No	50%

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
	fruitless and wasteful (UIFW) expenditure incurred citywide			with) the closing balance of the previous financial year.					
1.6	Percentage of valid invoices paid within 30 days of invoice date	It measures the percentage of valid invoices paid within 30 days. The objective is to increase the number paid within 30 days	JM financial accounts	Total number of invoices processed for the month/Number of invoices paid within 30 days *100	None identified	Non-cumulative	Monthly	No	100%
3.2	Percentage resolution of Internal Audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the internal audit	Internal Audit Reports	Total number of internal audit findings resolved/total number of internal audit findings (excluding findings that are less than 60 days)*100	None identified	Cumulative	Annually	Yes	95%
3.1	Percentage resolution of AG findings	It measures the number of audit findings resolved against the total number of audit findings issued by the AGSA	Internal Audit Reports	Total number of Auditor General findings resolved/total number of Auditor General findings (excluding findings that are less than 60 days)*100	None identified	Cumulative	Annually	Yes	95%
3.3	Percentage implementation of the strategic	The percentage of strategic risk action plans implemented compared to the total number	Governance Report; Strategic Risk	Number of implemented strategic risk action plans divided by total number of	None identified	Cumulative	Monthly	Yes	85%

KPI NO.	KPI	SHORT DEFINITION	SOURCE / COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
	risk management action plan findings resolved	of strategic risk action plans.	Plan; Strategic Risk Register and Audit Report	strategic risk action plans multiplied by 100					
3.4	Percentage achievement of Service Level Standards (SLS)	The percentage of Service Level Standards achieved of the total approved number of Service Level Standards	JM service level reports	The number of KPIs achieved in the Service Level Standards Agreement against total no of Service Level Standards achieved multiply by 100	None identified	Non-cumulative	Monthly	No	85%
2.2	Number of SMME's supported	The number of SMMEs participating in City Power available job opportunities.	JM SCM report	Total number of SMME's doing business with City Power	None identified	Cumulative	Annual	No	*
2.1	EPWP job opportunities created	Beneficiaries of job opportunities through EPWP	JM Payroll	Number of jobs created per annum	None identified	Cumulative	Annually	No	*

ANNEXURE B: JOBURG MARKET STRATEGIC AND OPERATIONAL RISK REGISTERS QUARTER 2

Section 1: Joburg Market Strategic Risk Register for 2023/24 Financial Year

In quarter 2, JM is reporting strategic risk registers newly approved 2023/24 strategic register. The identified risks are as follows:

JOBURG MARKET STRATEGIC RISK REGISTER FOR 31 December 2023 FINANCIAL YEAR (2023/24)								
Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Implementation plan as at Quarter 1	Implementation plan as at Quarter 2
		Q 1	Q 2	Q 3	Q 4			
1. Inadequate Trading space	1. Lack of adequate funding to expand the trading space					Partially ineffective	1. The Re-Capitalisation Programmes project (SMART MARKET) which includes the extension of the trading Hall. The project development phase is currently on stage 2 (Concept and feasibility).	The first draft of the funding model will be done in Q3. Appointment of the transactional Advisor for the appropriate funding model.
2. Failure to keep abreast with technological advancements and trends	2. Delay in implementation of the SMART Market project					Partially ineffective	2.1. Stakeholder portal software development to be completed Q2. Awaiting deployment by MTC where after security measures have to be put in place. Portal development dependent on trading system developments. 2.2 IT Strategy to be developed in concurrence with Smart Market strategy designs that affect IT	2.1 Possible replacement of trading system under review. Review to be completed Q3. This has an impact on stakeholder portals. 2.2 IT strategy to support business plan to be developed in Q3. 2.3 Online recruitment portal in SCM process. To be deployed Q3

JOBURG MARKET STRATEGIC RISK REGISTER FOR 31 December 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Implementation plan as at Quarter 1	Implementation plan as at Quarter 2
		Q 1	Q 2	Q 3	Q 4			
							infrastructure.	
3. Business Failure	3.1 Ageing infrastructure					Partially ineffective	<p>3.1 The Recapitalisation programme project (SMART MARKET) development phase is currently on stage 2 (Concept and feasibility).</p> <p>3.1.1 Maintenance Plan is currently implemented through projects and programmes encompassing all 5 disciplines. This includes the electrical wiring, water reticulation, plumbing and Complementary Service.</p> <p>3.1.2. The SCM process to appoint service providers per the five (5) engineering disciplines approved at BAC stage that set on the 27 September 2023.</p>	<p>1. The appointed Service Provider to develop work packages for 5 engineering disciplines.</p> <p>2. The SMART Market project phase 2 completed (which is the concept and feasibility) the procurement of the transactional Advisor is underway for the determination of the funding model.</p> <p>3. The first draft of the funding model will be done in Q3.</p>
	3.2 Power interruption						<p>3.2. Gen Farm generators currently conducting testing and awaiting commissioning.</p> <p>3.2.1. JM has appointed a service provider to implement the solar</p>	<p>3.2. The Genfarm has been commissioned and is operational.</p> <p>3.2.1. The solar project has commenced and the Service Provider is on site for an</p>

JOBURG MARKET STRATEGIC RISK REGISTER FOR 31 December 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Implementation plan as at Quarter 1	Implementation plan as at Quarter 2
		Q 1	Q 2	Q 3	Q 4			
							<p>panel project. The service provider has completed the designs. The installation of the panels to start on the 25 September 2023.</p> <p>3. Ring feed project from Moffatview to be Implemented.</p>	<p>estimated period of 3 years, however; the project completion time will be affected by the roof collapse incident.</p> <p>3. The ring feed (alternative power supply line) project has been completed and commissioned.</p>
4. Fraud and Corruption	Non Compliance with Laws and Regulations					Partially ineffective	<p>In line with the Board resolution, taken on the 19 May at a Board Strategic Risk Workshop. Internal Audit is in the process of handing over Fraud Management to the Risk Management Department. In quarter 2 the following will be achieved:</p> <ul style="list-style-type: none"> • The fraud policy will be reviewed • A fraud plan will be developed with the assistance of GRAS GFIS in order to align to City of Johannesburg • IA will hand over the fraud hotline to the appointed 	<p>Due to the AGSA as an external Audit in Q2 the Anti-Fraud matters could not be fully attended to and had to be moved to the following;</p> <ol style="list-style-type: none"> 1. Review of the Anti-Fraud policy is in progress as recommended by the AGSA. 2. Anti-fraud plan will be developed with the assistance of GRAS GFIS in order to align to City of Johannesburg in Q3. 3. IA will hand over the Anti-fraud hotline to the appointed Chief Risk Officer in Q3.

JOBURG MARKET STRATEGIC RISK REGISTER FOR 31 December 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Implementation plan as at Quarter 1	Implementation plan as at Quarter 2
		Q 1	Q 2	Q 3	Q 4			
							Chief Risk Officer The UIFWe report is updated on a quarterly basis and signed off by the CFO and submitted to GRAS Compliance Department.	
5. Inadequate Stakeholder Engagement	Fragmented Stakeholder Engagement					Partially ineffective	The integrated marketing, Communication and Stakeholder Strategy has been drafted, currently aligned to the 2023-24 JM Business Plan, will be added with SMART Market Strategy and thereafter will be submitted to EXCO.	8.1 The integrated Marketing and Communications strategy has been tabled at EXCO. It will now be further refined and submitted to board for approval in Q3.
	Inadequate Brand Positioning and Marketing						Ongoing engagements, JM attended the International Fresh Produce Association (IFPA) conference with producers/farmers in Cape town to discuss agricultural developments. JM also conducted farm visits to Krapdaar farm in CERES, Western Cape that supply JM with potatoes and onions.	Media statements were sent to IMASA, Farmers, media organisations and other stakeholder informing and clarifying them about developments at JM. Exhibitions and participation in stakeholder events such as Mayoral service delivery programmes across five(5) regions at COJ JM hosted more than six (6) stakeholder groups on tour of the Market for

JOBURG MARKET STRATEGIC RISK REGISTER FOR 31 December 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Implementation plan as at Quarter 1	Implementation plan as at Quarter 2
		Q 1	Q 2	Q 3	Q 4			
								exposure and information exchange.
6. Ineffective HR Governance and Systems	<p>1. Ineffective workforce Planning and Management</p> <p>2. Discrepancies in HR policies and procedures in relation to external legislative requirements</p>					Partially ineffective	<p>1. The appointment of a service provider to conduct the work study and organisational design review is in the SCM process, awaiting the award for the contract.</p> <p>2. Skills Audit project was completed in Quarter 1.</p> <p>2.1 Planned workshop for EXCO on the implementation plan in Quarter 2.</p> <p>2.2 Talent and leadership pipeline will be developed in Quarter 2.</p> <p>2. HR Policies and Procedures scheduled for review were identified and all relevant stakeholders will be work-shopped in Quarter 2.</p>	<p>1.1 The appointment of the service provider is underway and is at the BAC. It is anticipated that the successful service provider would be appointed in the 3rd quarter.</p> <p>1.2 The HR is conducting workshop with the employees in each department. The outcome of the Skills Audit was presented to EXCO in the previous quarter.</p> <p>1.3 In this quarter the HR conducted workshops with the departmental managers.</p> <p>1.4 The Talent and Leadership will only be developed after the actual implementation of the Skills Audit interventions</p> <p>1.5 Four policies were reviewed in September 2023 and another six (6) policies are still pending for review. All ten (10) policies reviewed would be ready for presentation to Board in the</p>

JOBURG MARKET STRATEGIC RISK REGISTER FOR 31 December 2023 FINANCIAL YEAR (2023/24)

Risk name	Causes/background to the risk	Residual rating				Within risk tolerance	Implementation plan as at Quarter 1	Implementation plan as at Quarter 2
		Q 1	Q 2	Q 3	Q 4			
								3rd quarter
7. Ineffective Transformation programmes	Lack of adequate resources					Partially ineffective	1. The activity was not undertaken due to insufficient floor space. Exco to deliberate on the possible future expansion of space. 2. Designs for new pack house are concluded and waiting for allocation for constructing the facility.	1. The black Market Agent has been issued a letter and is due to start in the 3rd quarter 2. JM has appointed a Service Provider to conduct technical assessment in order to address defects. 3. The project will be moved to the new financial year due to budget constraints.

EFFECTIVENESS OF PREVIOUSLY IMPLEMENTED RISK MITIGATION PLANS

There has been a significant improvement in most strategic risks. JM will continue to monitor and mitigate strategic risks. Any changes will be reported quarterly.

2023/24



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