



Joburg|Market

JOBURG MARKET (SOC) LTD
Company Registration No: 2000/023383/07



Implementing the People Centric Market of the Future

Supporting improved service delivery and a City that must thus be felt, heard and seen to improve the daily lived experiences of citizens.

Business Plan 2021/22

Presented in terms of section 87 of the Municipal Finance Management Act, 56 of 2003

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EXECUTIVE SUMMARY

The Business Plan is primarily a planning and communication document designed to integrate business strategic intent and business imperatives. The plan seeks to set out the short term strategic plan of the Company for the period 2021/22, and becomes the springboard for the medium to long term planning for the outer years.

The document also outlines Joburg Market (JM)'s vision for the future and details the manner in which JM intends transforming itself.

The JM strategy is designed to support the City of Johannesburg (CoJ) GDS 2024 objectives, and the Integrated Developmental Plan (IDP), which includes the Strategic Pillars and Mayoral Priorities.

The strategic objectives have been mapped back into particular Divisional Operational Plans, with Key Performance Areas (KPAs), from which specific outcome and impact driven Key Performance Indicators (KPIs) were developed. The KPIs will also form part of individual employees' performance contracts.

The linking of business plan goals, strategies, desired performance and action plans within the context of the Performance Management system will provide the framework for determining the net business impact for any business intervention. The business plan will therefore become a support tool for all levels of personnel when determining the impact of non-achievement of strategic intent and any corrective action through to personnel performance management. As a result the plan needs regular revision through an approved business planning process to communicate the business.

The business plan is divided into different sections in line with CoJ's Group Governance requirements and guidelines. The structure of the FY2021/2022 Business Plan is as follows:

- **Section 1** provides the context to the strategic plan, reviews the historical background of the Company, business challenges that the Company faced, and the strategic response from the leadership to redirect and redefine the direction of the Company;
- **Section 2** describes the Company's macro and micro environments analysis. It provides an overview of JM in general and the nature of the business environment within which it operates;
- **Section 3** defines and outlines the strategic alignment to the IDP, SDBIP, budget, and the business planning imperatives of the City.
- **Section 4** presents the JM Risk Register, which was developed in conjunction with various stakeholders and highlights the key challenges and potential risks that the organisation could have;
- **Section 5** presents organisational Financial Plan for FY 2021/22 and the



deployment of financial resources to achieve organisational goals, objectives and programmes;

- **Section 6** presents the Organisational Structure and the alignment to strategic delivery imperatives;
- **Section 7** presents Human Capital Management Plan, it outlines key programmes that JM will implement to ensure the realisation of well-trained, motivated and dedicated employees;
- Annexures are included to provide additional information to key sections.

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
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 Systems Infrastructure
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
NGO	Non-Governmental Organisation
NPO	Non-Profit Organisation
OPEX	Operational Expenditure
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
YTD	

1. INTRODUCTION

1.1 Purpose of the JM Business Plan

The purpose of this Business Plan is to lay out the strategic and operational direction of the JM and to capture the necessary strategic, financial, and operational and resource plans to support this direction. As such, the document becomes an engagement document for discussion with JM stakeholders. The plan covers the financial period from 1 July 2021 to 30 June 2022, with a focus on step-change, transformational performance during the year.

The plan will be reviewed in line with the requirements of the CoJ Business Planning and Review Cycles. A secondary purpose of the plan is to ensure compliance to the requirements of the Municipal Finance Management Act (MFMA) 56 of 2003, National Treasury regulation, and to support strategic national, provincial, CoJ and internal Company policies.

1.2 Company Synopsis

The JM renders a series of services and provides amenities which facilitate the trading of fresh produce. On a daily basis, approximately 11,000 to 14000 buyers trade at the JM. In addition approximately 6,000 producers are marketing their produce through the JM.

In FY 2021/22 the JM projects to achieve an operational income of R530 185M and an operating surplus of R115 934M after taxation.

JM currently employs 388 individuals in six divisions namely; Finance, Strategy and Transformation, Agri-business, Core Operations and Shared Services.

The strategic programmes and projects of the 2021/22 business plan are as follows:

- Realignment with the shareholder's new strategic agenda inclusive of accelerated and visible service delivery and co-production;
- Institutionalise the SMART MARKET principles;
- To maximally reduce the risk of Covid 19 infections at JM;
- Intensify stakeholder engagement activities;
- Implement space optimisation programme;
- Develop and implement the green energy plan;
- Accelerate repairs and maintenance programme as per the 2021 budget lekgotla;
- Promulgate new Market by-laws;
- Identify and implement job creation initiatives;
- Further roll out of the #GreatPlace2Work initiative;
- Minimizing the risk of Covid 19 infections.

1.3 Shareholder Compact and Service Delivery agreement

The shareholder compact governs the relationship between the CoJ as the Shareholder and the JM as an entity. The Service Delivery Agreement between the entity and the shareholder is renewed every 3 years.

1.4 Shareholder Objectives

To ensure strategic objectives are aligned with the broader development objectives across the three spheres of government and the following policy documents:

- National Development Plan (NDP) 2030;
- Growing Gauteng Together (GGT) 2030;
- CoJ Growth and Development Strategy 2040;
- Integrated Development Plan (IDP) 2017/18 to 2021/22;
- Service Delivery and Budget Implementation Plan (SDBIP) 2020/21; and
- CoJ Budget 2021/22 to 2023/24

In addition to the above JM will also introduce;

- CoJ led Covid 19 responses
- Participate in the economic recovery drive of the shareholder.

JM activities are planned in support of the strategic thrust of the CoJ and the JM thus seek to support:

- The four COJ GDS outcomes;
- The eleven strategic priorities which includes addressing the impact of the Covid 19 pandemic;
- The CoJ priority programmes;
- The six strategic pillars that will guide budget spending.

The CoJ quest is to become a SMART CITY by 2040. JM will seek to support the shareholder through the introduction of projects and programmes in achieving its 10 catalytic projects as follows:

- **Broadband Fibre Network & Citizen Access**

JM will continue with its Free Wi-Fi service and refine application applications to enhance the advantages it offers.

- **4IR Citywide Skills Development Programmes**

JM provides the services of a municipal owned market facility. It will develop in line with the new skills that will emerge in a fast changing food handling environment and will work towards achieving synergies which will make this service more attractive and accessible.

- **Data & Device Access**

JM will refine its ITC and business intelligence capacity to ensure that a market environment is created which enables development and innovation based on well based information.

- **Prolific, Citywide It Security Systems**

JM will be introducing its smart CCTV system and database to ensure that JM reduce in all spheres of its operations risks that may cause harm to people and property.

- **Co-Production Innovation Pipeline**

JM will pursue coproduction interventions as outlined under section 3.3.1 below.

- **Unified Data & Information Portal**

Although the operating environment is unique the entity will participate with diligence in all efforts to ensure that the CoJ data bases are suitably supported and provided with quality data to enable good strategic decision making and supporting the citizens of the CoJ.

- **Green Infrastructure & Energy**

JM will participate in the biofuel project of EISD to produce green economy fuels for the busses serving the CoJ citizens. This will be done through making organic waste available for the bio digesting system.

- **Digital Services Access Programme**

JM will in addition to its free Wi-Fi create interactive portals to ensure self-help systems as well value added information fresh produce which will greatly aid the informal traders and provide valuable access to fresh produce information and coaching sessions.

- **Smart Integrated Nodal Economies, Services and Spaces**

JM will through its coproduction strategy and informal trader clubs support CoJ efforts to enhance township informal fresh produce businesses and promote healthy eating lifestyles.

- **Smart Mobility**

JM will finalise its design of smart market systems to enhance the logistics on the market site. This will improve the operations and buying activities of buyers at the market.

Key service delivery concept

JM will also strive in supporting the theme of improved service delivery and a City that must thus be felt, heard and seen to improve the daily lived experiences of citizens.

1.5 Cluster priorities

JM's strategy development seeks to support the achievement of the following Economic Cluster priorities:

- Citywide job creation
- Entrepreneurship and SMME support
- Involvement of private sector in development initiatives
- Tourism Promotion
- Infrastructure led growth
- Quality infrastructure provisioning
- Investor friendly strategy
- Green economy
- Investment attraction, expansion and retention

1.6 Joburg Market Company Profile

The JM Company profile is as defined below:

1.6.1 Background/History

JM was established in 1893 as a fresh produce market situated at the Market Square in central Johannesburg, where three thousand people congregated to trade in fresh produce. The economic boom emanating from the Gold Rush era resulted in the rapid growth of the City and subsequently the trading of fresh produce. To accommodate growth, new facilities were built around Newtown (Johannesburg) in 1913.

As trading increased over the years, the Newtown premises relocated to the current 64 hectare site in City Deep. The Company which is 100% owned by the CoJ Metropolitan Municipality operates on a commission-based business model where producers deliver their produce to market agents who in turn sell to buyers.

1.6.2 Joburg Market 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 SMART 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
- Ensuring food security and safety and compliance to food quality standards.

Vision

A smart fresh produce trading hub that is globally competitive

Mission

A trading complex that catalyses the growth of the City's economy through an inclusive business environment

Values

The values of the Joburg Market are the following;

- Transparency
- Service excellence
- Integrity
- Innovation

1.6.3 Strategic Objectives

The strategic objectives of JM for FY 2021/22 are the following:

- Ensure financial sustainability and growth of the entity;
- Operate a sustainable, resilient premier marketing and trading facility;
- Become an agent for socio-economic transformation;
- Ensure that our staff are engaged, skilled and motivated;
- Ensure suitable Covid 19 control measures to ensure continuation of JM services;
- Become a high-performance organisation;
- Ensure effective stakeholder engagement;
- Upgrade ammonia plant, cold-storage and banana ripening facilities;
- Improve operational efficiencies within consignment tracking of fresh produce;

- Upgrade and improved maintenance of facilities and infrastructure;
- Focus on transformation of emerging farmers/market agents;
- ICT innovation (governance; BCM & automation);
- Become a implementer of green economy opportunities.

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;

- Investment in infrastructure
- Investment in creating expertise and skills
- Transformation at farm and market levels through targeted programmes and incentives
- Maximise revenue to turnover R8.9 billion per annum by 2022/23
- Good governance
- Upgrade aged infrastructure
- Adopt and deploy a JM energy efficient model/operation
- Clean, Safe & Smart Market
- ICT as a strategic partner

1.6.5 Capability Statement

JM provides trading facilities and complementary services in order to facilitate the trading of fresh fruit and vegetables. Often being 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.

1.6.5.1 Facilities

Trade takes place in three Food hubs, namely: Fruit Hub, Potato and Onion Hub and Vegetable Hub, measuring a total of 75 000m² via a commission system. The Market charges the producers a 5% commission on all sales made on the trading floor. A further negotiable levy of 7.5% is paid to Market Agents for selling produce on behalf of the farmer.

JM also provides cold storage services to ensure compliant preservation of large volumes of produce which is required to be kept within the logistical cold chain. Premises are also being leased to food related enterprises serving as a complementary feature in serving the requirements of the thousands of buyers visiting the JM site daily.

1.6.5.2 Core Competencies

JM currently holds substantial expertise to enable the high level of services it renders. These include:

- Financial services,
- Engineering expertise,
- Human resources support,
- Strategic services,
- Risk services,
- Trading and consignment regulation services,
- ICT Systems (SPS & JDE),
- Facility management and property administration, and
- SANAS accredited laboratory and food quality and safety inspection service.

1.6.6 Key assumptions

In developing its strategy for 2020/2021 JM considered *inter alia* the following key assumptions relative to the realities of the macro environment;

- It is projected that the population of the City could increase to about 5.43 million in mid-2021 (Source GSPCR);
- It is envisaged that the turnover growth in the next 3 – 5 years would be around 3.0% per annum;
- The impact of climate change on the Joburg Market revenue is expected to be minimal in the next 18 months as JM benefits from price is times of scarcity of produce;
- The labour environment will continue to be relatively stable;
- All strategic projects will be funded to ensure execution;
- Mainstream businesses in the food industry will be characterised by formation of significant BEE partnerships;
- Competition by direct marketing channel operators will increase;
- Food inflation will continue to rise above headline inflation;
- Operating costs of suppliers of fresh produce, service providers to JM and utility services will increase substantially;
- As competition increases, margins will be under pressure;
- Inclusion on COVID19 risk control measures will be part of Standard Operating Procedures as the recurrence of the pandemic through a second wave will remain a substantial factor.

2. STRATEGIC ANALYSIS

2.1 Reflection on the previous financial year

2.1.1 Past performance highlights

At the end of the 2019/20 financial year, the Company was able to report the following highlights;

- **Improved financial performance**

A turnover achievement of R8.1 billion, which represents a positive growth of 2.1% compared to the budgeted turnover of R 7.9 billion

- **New leadership for JM**

Appointment of a new Board and new Chairperson for the Board of Directors was concluded. The new CEO commenced duties during the fourth quarter of the above mentioned financial year and was in particular instrumental in the prevention of Covid 19 risks at a facility where between 11000 and 14000 frequent the market on a daily basis.”

- **Human Development Focus**

Staff morale is being bolstered through the #GreatPlace2Work programme.

- **Working towards Smart Market of the Future**

- **Mandela Market upgrade**

Phase 1 construction of the Mandela Market commenced during the period under review. The budget for this phase was set at R50m.

- **Strategic projects**

The Joburg Market successfully completed a number of strategic projects, *inter alia*, the, upgrade of the Exit Gate and the acquisition of new IT infrastructure and accessories.

- **Job and Business enterprise development**

A total of 219 new jobs were created against a target of 120 jobs; providing opportunities to largely the youth and women

- **Targeted Procurement**

The Company achieved 100% in its BEE procurement drive for all SCM.

2.1.2 Challenges encountered in the previous financial year

A number of challenges were faced during the 2019/20 financial year:

- **Corona Virus pandemic:** The Covid-19 outbreak presented management with challenges in behavioural changes required for all Market users;
- **Infrastructure repairs:** Due to challenges with maintenance service providers, delays were experienced. In addition the entity needs to remedy substantial legacy maintenance items.
- **Inadequate trading space:** Sufficient trading space remains a major challenge, as market agents periodically had to store fresh produce on the platforms of some of the trading halls;
- **Specialised facilities:** Challenges experienced in the availability of banana ripening rooms and temperature fluctuations resulted in a number of these rooms not being functional. The SCM process is being followed to appoint service providers to repair the rooms and associated temperature fluctuation challenges;
- **Performance management system:** Performance contracts are only applicable to the top three management levels and need to be extended to the remainder of supervisory and other levels.

2.2.1 Industry Trends

The South African agricultural sector form part of the global economy and is significant contributor foreign exchange earnings. The JM as a key player in the horticultural industry trade, serve as a trading platform that provides produce and services to both the local and international levels, particularly the SADC region. The Sector is characterised by both local and international agricultural and food industry trends. Forming part of these trends which are the hallmarks of the industry are:

- Growth of the middle class with concomitant rise in demand for meat and fresh food products;
- Growth in middle class and migration of rural population to urban areas - urban population accounts for 64% (29 million) of the total population (55 million);
- Population growth and associated rise in food demand;
- Increasing demand for convenient, processed and healthy foods;
- Increased production and productivity to reach better economies of scale;
- Increased production attributed to increased irrigation, precision farming, adoption of bio technology such as high yielding cultivars and synthetic fertiliser use;
- Decline in subsistence production of food and increase in purchased food;
- Constrained limited natural resources (particularly water and productive land);
- Increase in demand for certain food types, particularly animal products in SA and certain horticultural products in Africa;
- Price increases of input products, especially fuel with the decline in Covid 19 disruptions of the world economy;

- Devaluation of the Rand, resulting in high production costs, but improved competitiveness of exporting industries.
- A decline in the job opportunities in the agricultural sector mainly due to closing down of farming enterprises and the sector becoming more capital for competitiveness reasons;
- Rising costs and demand for agricultural inputs: fertiliser, pesticides, energy (mostly diesel and electricity), water and interest on farm debts.

2.2.2 Contextual Analysis

The South African is valued at R3 trillion in terms of GDP. The economy grew by 0, 3% in 2016 compared with 2015 and Agriculture's contribution to the Gross Domestic Product (GDP) contracted by 0.1%, the same time. The sector's contribution to the GDP in 2016 was R225 billion, which translated to 2.3%. Despite its poor showing on contribution to GDP when compared to other sectors of the economy, agriculture remain a key contributor to SA's developmental challenges such as job creation mainly in rural areas and economically depressed part of country. Employment in agriculture (% of total employment) in South Africa was at 5.59 % in 2016. The Sector offers employment opportunities to a significant section of the population that is elementary and unskilled, which make up 77% and 22%, respectively. The agricultural sector is also important for ensuring the country's food security. In addition to commercial-scale production, emerging farmers and subsistence farmers make further economic contributions, although these are harder to quantify.

The number of commercial farms in South Africa fell by more than 13% from 45 800 in 2002 to 39 900 in 2007. This is a decline of about 30% from an estimated 58 000 commercial farms 20 years ago. While farm numbers have dropped, average farm size has increased.

JM remains the biggest fresh produce market in South Africa, with approximately 42% of the market share amongst fresh produce markets, valued at around R20.4 billion. Given its dominance in terms of share of the fresh produce market industry, the JM serves as a barometer for fresh produce prices. JM operates a commission business and receives a 5% commission on all fresh produce sold at the market.

At a global level, commodities prices declined, but in SA decline has been negated by the sharp depreciation in the value of the Rand, which by May 2016 had declined by almost 48% over the preceding 24 month period.

Generally high production levels led to agricultural commodity prices falling well below the peaks of preceding production years. The agricultural sector demonstrated good performance over the past decade; despite some volatility owing to its dependence on global markets and on an inclement climate.

In the local front, Locally, gross value added by the agricultural sector to the economy expanded by more than 15% in real terms since 2005, and the cost of production increased by 15% in real terms since 2005.

Drought experienced in 2016 impacted negatively on the quality attributes and volume of many fruit types and vegetables. This resulted in both fruit and vegetables posting double digit inflation.

Continued currency devaluation has supported the competitiveness of South African produce in the global market, making exports markets more lucrative to local markets. . This impacted on produce that would have been sold in local markets, resulting in low supply, shortage and high prices in local markets, including the JM.

Significant exchange rate depreciation has been a key factor supporting price levels for producers during a period when output was sharply reduced. However from a consumer's perspective, it has also been a key driver of food inflation.

Rising food inflation has broad implications affecting aspects of the macro economy and households, specifically lower income households (Living Standard Measure 1-3), which spend up to 35% of their income on food.

Future Outlook

In response to its strategic direction, the Joburg Market will place greater emphasis on driving the following key strategic interventions;

- Implementing and rolling out a reviewed organisational structure on managerial level;
- Appointing a co-sourced partner for the Internal Audit Department to bring in the required capabilities;
- Continue with the rollout and implementation and People's "Mandela" Market Precinct and the improvement of the adjacent retail trading complex;
- Utilisation of service providers panels for repairs and maintenance works a JM;
- Engagement of suitable capacitated refrigeration panels of contractors for the upgrading and refurbishment of the cold rooms and banana ripening rooms and its installations;
- Strengthen stakeholder engagement programmes to facilitate improvements in stakeholder satisfaction levels.
- Complete the insourcing of cleaners as required by the shareholder; including full capacitation on cleansing and sanitisation practises and use of newly introduced cleaning equipment
- Implementation of purpose designed a pack-house for emerging farmers and linking it to business opportunities;
- Sustaining business processes and practises to minimize the risk of secondary Covid-19 outbreaks and the impact it will have on the business operating at JM in the foreseeable future, and;
- Finalise a market space optimisation model endorsed by all on site stakeholders.

JM's Future Outlook on performance remains positive. This assertion is accentuated by the following factors;

- The Smart Market of the Future Strategy has been adopted and will be institutionalised;
- The review of an enhanced Organisation Design/Structure to ensure effective service delivery has already shown results and will be further rolled out;
- Financial projections indicate that the Joburg Market turnover will exceed **R 8.7 billion** per annum and despite the impact of Covid 19 for be an improvement of 3 % over the previous financial year;
- The Shareholder has appropriated R223.9 million in the medium term to fund strategic projects that will see the market becoming a Clean, Safe and Smart Market;
- Technology enablement and digital transformation is being pursued with greater vigour;
- JM will bolster a culture of performance through its #GreatPlace2Work programme.

2.2.3 PESTEL Analysis

A PESTEL Analysis was also conducted to determine trends, factors and variables in the macro-environment that may impact on the organisational within the next 18 months. The summarised PESTEL Analysis for the Joburg Market is depicted below.

Political	Economic
<ul style="list-style-type: none"> • Governmental policies <ul style="list-style-type: none"> ◦ Land reform – issues of expropriation ◦ Best practise in BBEEE • Foreign Market Risks <ul style="list-style-type: none"> ◦ Trading in foreign countries by JM clients and governmental support systems • Border and customs delays • Increased pressure to ensure full compliance to legislative provisions as well as to codes such as KING IV 	<ul style="list-style-type: none"> • National Economy remain at a low growth rate (<1%) hence consumers will spend mostly on staples (Potatoes /Onions /Tomatoes) • Higher than expected food inflation • Decrease in agricultural employment • Increase in demand for staples such as potatoes and apples. • Increase in demand for full spectrum of quality fruits • Impact of Covid-19: Job losses • Increased cost of energy
Social	Technological
<ul style="list-style-type: none"> • Healthy eating habits <ul style="list-style-type: none"> ◦ Affluent and middle income consumers will continue to spend more on prepared produce • Increasing urbanisation leading to inward migration to Johannesburg (10000/month); • More woman and the youth will seek opportunities in the fresh produce industry • Increased consumer pressure on healthy and safe fresh produce commodities (Covid 19 recovery measures) • Continued movement to higher Living 	<ul style="list-style-type: none"> • Handling and storage of produce in line with international standards • Development of IT technology capacity applicable at JM sales/control systems • Increased expenditure on security measures (Equipment with high technological content) • New cold storage and ripening advancements • Development of JM SMART MARKET systems • Broadband and Wi-Fi • Drive towards cashless trading

Standards Measure (LSM) groups resulting in changed food preferences; <ul style="list-style-type: none"> Increased usage and impact of social media Impact of social distancing on consumer behaviour 	environments <ul style="list-style-type: none"> Increased on-line trading Impact of working from home concepts as a result of Covid 19.
Environmental	Legal
<ul style="list-style-type: none"> Scarcity of land and water to sustain farming Pressure from consumers for producers to adopt environmentally friendly farming methods Pesticide and chemical residue control by producers Disposal of increased medical waste as a result of Covid 19 PPE and specialised treatment 	<ul style="list-style-type: none"> Increased pressure to comply to all legal compliance matters Increased pre-emptive food safety and quality measures Lead time in resolution of old litigation matters Business loss claims emanating from Covid 19 pandemic

JM PESTEL Analysis

In dealing with the impact of factors identified in the macro environment JM is positioning its self as follows:

- Establishing secure and effective trading methodologies and superior technologies to support the logistics of the market system;
- Introduce risk control measures on fresh produce supply and food safety;
- To promote the market as a central demand centre and aim at achieving the widest possible assortment in width and depth of fresh produce categories;
- Instil a culture of compliance in all spheres of legal and legislative compliance;
- Future impact on fresh produce prices as a result of increased inflation.

2.2.4 SWOT Analysis

A SWOT Analysis was also conducted to determine factors that may impact on the micro-environment within the next 18 months. The outcome of a SWOT Analysis conducted in the environment is as depicted in the table below;

JM SWOT Analysis	
External factors	
Opportunities	Threats
<ul style="list-style-type: none"> Capital infrastructure development. Export development desk to bring necessary information and development to JM's customers and clients. 	<ul style="list-style-type: none"> Decreased demand for ripening facilities, this led to lower

External factors	
Opportunities	Threats
<ul style="list-style-type: none"> • Introduce SMART market applications <ul style="list-style-type: none"> ○ Pooling of intellectual capacity ○ ICT application development to serve customers ○ Modernise service delivery methods. • Creation of collaborative forums with industry partners such as NDAF, PMA, etc. • Development of the Mandela Market to increase trading floor space. 	<p>revenue.</p> <ul style="list-style-type: none"> • Low economic growth may lead to lower turnover. • Competing with more developed internet-based and new markets established in Gauteng. • Inability to implement new technology in the industry within reasonable time • Exposure to security risks – theft and heists • Power outages • Covid 19
Internal factors	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Turnover is growing year on year, this results in higher surplus generation • Maintained the current market share with the SA markets. • Magnitude of JM as a central market place <ul style="list-style-type: none"> ○ Large variety of fresh produce 	<ul style="list-style-type: none"> • Inability to repair and keep the operations of the cold rooms/ ripening facilities and its plant at their optimal. • Ageing infrastructure. • Lack of full SCM capacity to support project developments. • Need experienced staff to drive operations and improve performance. • Weakening internal controls due to lack of oversight and implementation. • Insufficient funding for expansion of trading space.

External factors	
Opportunities	Threats
<ul style="list-style-type: none"> ○ Large customer base ○ Produce price leader. ● Strong financial position ○ Highly liquid and solvent ○ Large cash reserves ○ Surplus generating entity. 	<ul style="list-style-type: none"> ● ICT innovation needed to achieve Smart Market status

In order to address the key weaknesses and threats identified above, JM will pursue the following interventions:

Intervention	Weakness/Threat
Space optimisation project	<ul style="list-style-type: none"> ● Ageing infrastructure ● Inadequate floor space ● Loss of market share ● Competition/Alternative Markets
Stakeholder engagement programmes The stakeholder engagement plan is attached as annexure 6	<ul style="list-style-type: none"> ● Ineffective stakeholder engagement
Institutional review	<ul style="list-style-type: none"> ● Rising operating costs
Effective application of company policies and corporate governance	<ul style="list-style-type: none"> ● Exposure to fraud and corruption (internally & externally)
Ensure compliance to legislative and regulatory requirements	<ul style="list-style-type: none"> ● New bylaw required to regulate trading environment

Response to Weaknesses and Threats

In order to address the weaknesses and threats identified above, JM will pursue the

following interventions

Threats/weaknesses	Response
<ul style="list-style-type: none"> Ageing infrastructure Ripening facilities Trading floors Poor capital project implementation Failure to maintain facilities Communications with stakeholders 	<ul style="list-style-type: none"> Implementation of the JM Precinct Development Plan and the identified strategic /priority projects; Upgrading of cold rooms and banana ripening facilities; Pursuing space rationalisation optimisation project Expansion of trading areas. The stakeholder engagement plan for 3 years is attached as Annexure 6
<ul style="list-style-type: none"> Key positions SCM Capacity Lack of capacity in Internal Audit 	<ul style="list-style-type: none"> Plans in place to fill in key positions Stabilise SCM Department and appoint required resources in the environment Implement co-sourcing initiative to complement internal resources and utilise panel of service providers as and when required.

Risk Assessment

The 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.

Similarly, the Municipal Entity's Compliance Framework has been aligned to the CoJ Group Compliance

Risk summary

Extract from the JM Strategic Risk Register - 2021/22						
#	Risk name	Impact Rating	Likelihood	Inherent Risk	Control Effectives	Residual Risk Exposure
1	Business Failure	Critical	Almost Certain	Very High	Partially effective	High (18)
2	Diminishing Staff Morale	Critical	Almost Certain	Very High	Partially effective	High (18)

3	Financial Instability	Critical	Almost Certain	Very High	Partially effective	High (18)
4	Failure to Implement the Smart Market Strategy	Major	Almost Certain	High	Partially effective	Medium (13)
5	Failure of Transformation Programs	Major	Likely	High	ineffective	High (18)
6	Loss of Stakeholder Confidence	Major	Likely	High	Partially effective	High (18)
7	Covid 19 Pandemic	Critical	Almost Certain	Very High	Partially effective	High (18)

(The full strategic risk register is attached as Annexure 4)

JM applies a combined assurance model, which seeks to optimise the assurance obtained from management, internal and external assurance providers while fostering a strong ethical climate and mechanisms to ensure compliance. The Board, through the ARC, is ultimately accountable for the JM system of internal controls, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement and loss.

Internal audit plays a pivotal role in this while the AGSA cover key controls and accounting matters in the course of their audit. Through the enterprise-wide risk management approach, management identifies key risks facing JM and implements the necessary internal controls.

The following opportunities were identified from the JM risk assessment:

- Automation and electronic innovation to refine and optimise market services;
- Staff motivation programmes and optimising work environments;
- Setting up of appropriate forums with various market user groups;
- Methodologies to ensure safer market operations against backdrop of Covid 19 and readiness for similar types of outbreaks in future;
- The implementation of plans to curb corruption, fraud and maladministration.

3. 2020/21 IMPLEMENTATION AND PERFORMANCE OVERVIEW

3.1 Measurable programmes

JM is committed to ensure the best possible service delivery levels in which it intends to excel and translating its efforts into improved service delivery and supporting a City that must thus be felt, heard and seen to improve the daily lived experiences of citizens. JM will also work towards achieving co-production with its community focus.

JM is supportive of the five key themes adopted by its Shareholder and has embedded related strategic programmes in this regard for the planning period ahead. The five themes are listed as follows:



- Recovery, building resilience and preparedness post COVID-19
- Reconstructing and Rebuilding our economy
- Transforming society to the next level of development
- Collectively engaging with our communities
- Mitigate other structural socio-economic challenges

The complete Company scorecard is included in this business plan as Annexure 1.

For the purposes of the discussions below the strategic objectives are briefly listed again as follows:

- Ensure financial sustainability and growth of the entity
- Operate a sustainable, resilient premier marketing and trading facility
- Become an agent for socio-economic transformation
- Ensure that our staff are engaged, skilled and motivated
- Ensure suitable Covid 19 control measures to ensure continuation of JM services
- Become a high-performance organisation
- Ensure effective stakeholder engagement
- Upgrade ammonia plant, cold-storage and banana ripening facilities
- Improve operational efficiencies within consignment tracking of fresh produce
- Upgrade and improved maintenance of facilities and infrastructure
- Focus on transformation of emerging farmers/market agents
- Become a implementer of green economy opportunities

Alignment of JM to the Accelerated Service Delivery (ASD) model expectations

As a ME of DED, JM will conduct the following:

- Economic Development Cluster workgroup and the CoJ: JOC support where required.

We will deliver on our priorities:

- Ageing infrastructure – Execute all CAPEX projects and R&M plans;
- Growth of JM business- Increase turnover and promote trade by position JM as a central one-stop –user friendly market place;

- Develop our people towards service excellence by achieving and exceeding key performance indicators as well as service standards of the entity.
- Job creation initiatives - EPWP and learnerships

Undertakings of JM:

- Accountability and diligence: Continue to ensure the budget responds to what the strategy is saying;
- Hands on management of JM services: Intensify the focus to service delivery to ensure positive citizen experience of the City;
- Produce visible JM service delivery: Ensure performance measurement measures success on implementation;
- Strategic Vigilance: Remain strategically sharp and gear up for the review of the GDS and the future of our City.

JM Monthly pre-emptive management and progress monitoring:

- Integrated JM EXCO/MANCO management efforts to best deliver JM services;
- Complete and accurate reporting to the Board of Directors and the Shareholder;
- Identification of service improvement opportunities on a daily basis;
- Test actions against best practise;
- Conscience drives to ensure that JM is daily supporting improved service delivery and a City that must be felt, heard and seen to improve the daily lived experiences of citizens.

3.2 Projects Aligned To Priorities

3.2.1 GDS and IDP

JM will pursue projects and programmes linked to the GDS and IDP. The Table below shows the alignment of JM Programmes/Projects to the GDS and IDP:

GDS outcome	GDS output / Pillar	IDP Programme / Activity	Project/Programme
<ul style="list-style-type: none"> Improved quality of life and development-driven resilience for all 	<u>Food security and food safety response</u> <ul style="list-style-type: none"> Food security that is both improved and safeguarded 	<ul style="list-style-type: none"> Access to food: Ensure a continuous and adequate supply of suitable quality fresh produce at reasonable prices 	<ul style="list-style-type: none"> Trading Space optimization initiatives Continuous laboratory testing of fresh produce samples for chemical residue
<ul style="list-style-type: none"> Improved quality of life and development-driven resilience for all 	<u>Food security response</u> <ul style="list-style-type: none"> Food security that is both improved and safeguarded 	<ul style="list-style-type: none"> Emerging and Urban farmers support; 	<ul style="list-style-type: none"> Establishment of a pack house for small farmers
<ul style="list-style-type: none"> Provide a resilient, liveable, sustainable urban environment - underpinned by infrastructure supportive of a low carbon economy 	<ul style="list-style-type: none"> Sustainable and integrated delivery of water, sanitation, energy and waste 	<ul style="list-style-type: none"> Integrated Waste management programme: Support implementation of Green and Blue Economy interventions Joint project with EISD to produce bio fuels from waste 	<ul style="list-style-type: none"> Green economy strategy that includes: Separation of waste at source Green economy project that include alternative sources of energy i.e. solar panels, bio-gas and tri-generation

GDS outcome	GDS output / Pillar	IDP Programme / Activity	Project/Programme
<ul style="list-style-type: none"> A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region 	<ul style="list-style-type: none"> Financially and administratively sustainable and resilient City 	<ul style="list-style-type: none"> Urban farmers support : Catalyse support and opportunities for BBEE/SMME through creative public/private partnerships [Economic transformation] 	<ul style="list-style-type: none"> Link small farmer pack house to trading opportunities in the wholesale and retail environment Link pack house to export opportunities in the SADC region
<ul style="list-style-type: none"> Improved quality of life and development-driven resilience for all 	<ul style="list-style-type: none"> Increased literacy, skills and lifelong learning amongst all our citizens 	<ul style="list-style-type: none"> Smart City: Develop a City skills strategy, focused on the skills supply/demand chain, first lends to the identification of consolidation of a list of critical scarce skills in the City to guide other initiatives 	<ul style="list-style-type: none"> Training of staff Training of youth through targeted programmes such as learnerships
<ul style="list-style-type: none"> Improved quality of life and development-driven resilience for all 	<ul style="list-style-type: none"> Food security that is both improved and safeguarded 	<ul style="list-style-type: none"> Access to food: Increase Foodbank capacity 	<ul style="list-style-type: none"> Food Support Centre Operations Food Centre support to DSD programmes
<ul style="list-style-type: none"> A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region 	<ul style="list-style-type: none"> Financially and administratively sustainable and resilient City 	<ul style="list-style-type: none"> Disciplined expenditure management: Innovation through SMART MARKET initiatives 	<ul style="list-style-type: none"> Innovation in service delivery methodologies (Business transformation/JM activities) -Smart metres -CCTV innovations

3.3.2 Mayoral Priority Programmes

All programmes and projects are executed in strict compliance and alignment to the selected priority programmes to which JM will contribute.

JM Strategic objective: Operate a sustainable, resilient premier marketing and trading facilities			
COJ strategic pillar	JM Programmes	Outcomes	Impact
<ul style="list-style-type: none"> Economic impact and mitigation measures 	<ul style="list-style-type: none"> Promote JM as a One-stop-market facility Promote JM as a Agro processing hub Assist SMME exporters to develop in SADC region Assist developing SMME's to access export opportunities in SADC region; Create a refined client and business opportunity data base and network in conjunction with the DED opportunity centre at JM 	<ul style="list-style-type: none"> JM positioned as investment friendly business environment; Increase the rand value of trade and Investment business transactions; Achieve a strong business to business trading environment within JM; Achieve increased SMME's and BEE's to business opportunities; 	<ul style="list-style-type: none"> Transformation in work and live environment Prevent people from going hunger International buyers' transactions lead to more jobs created at JM. Traders conducting large scale transactions leading to improved income. Growth in number of businesses operated by targeted groups at JM

JM Strategic Objective: Become an agent for socio-economic transformation & Focus on transformation of emerging farmers/market agents			
COJ strategic pillar	JM Programmes	Outcomes	Impact
<ul style="list-style-type: none"> Food security response 	<ul style="list-style-type: none"> Sustain agricultural stakeholder relationships / management programmes; Participate in Local Agri-forums Support establishment of Agri-business ventures at JM Develop BEE trading facilities Link BEE participants to mainstream food business BEE agro processors, emerging agents, emerging farmers project 	<ul style="list-style-type: none"> Enabled environment for availability of high quality vegetables & fruit Agribusiness Ventures and Urban Farm Enterprises providing fresh produce which is locally grown Food for growing urban population Viable food procurement and distribution systems Work with large food retailers and distributors to create localised system to ensure food security Decrease in unemployment rate and alleviation of hunger; and Local economic development. 	<ul style="list-style-type: none"> Sufficient production of quality produce for self-sustainment and trading balances for income Effective participation by historic disadvantaged entrepreneurs in large transactions Creation of job opportunities in value adding activities
JM Strategic Objective: Ensure suitable Covid 19 control measures to ensure continuation of JM services and Ensure effective stakeholder engagement			
COJ strategic pillar	JM Programmes	Outcomes	Impact
<ul style="list-style-type: none"> Enforcement and compliance measures 	<ul style="list-style-type: none"> Stakeholder engagements Covid 19 control measures 	<ul style="list-style-type: none"> Enhanced JM market site safety on Covid 19 controls Meaningful state-society engagement; 	<ul style="list-style-type: none"> Continued produce supply and trading ensuring undisrupted food supply to the community Well informed and confident users of the JM and its services

JM Strategic Objective: Become a high-performance organisation and Improve operational efficiencies within consignment tracking of fresh produce			
COJ strategic pillar	JM Programmes	Outcomes	Impact
<ul style="list-style-type: none"> Continuation of Municipal Services 	<ul style="list-style-type: none"> Fresh produce market operations best practises Innovation in trading methodologies 	<ul style="list-style-type: none"> CoJ a technologically competent institution Johannesburg Market a Smart Market with enhanced service efficiencies and productivity Smart and effective service delivery maintained as the norm Job creation through improved economic development opportunities at Joburg Market environment 	<ul style="list-style-type: none"> Exponential growth in fresh produce trading at JM Efficient market system and services maximizing user satisfaction and trust
JM Strategic Objective: Become a implementer of green economy opportunities			
COJ strategic pillar	JM Programmes	Outcomes	Impact
<ul style="list-style-type: none"> Continuation of Municipal Services 	<ul style="list-style-type: none"> Separation of organic and non-organic waste (energy strategy) SMME's dealing with harvested non-organic material (green jobs) Utilise food safe chemicals for sanitisation Generation (bio-gas, solar, and tri-generation) Action plan for Green Initiatives 	<ul style="list-style-type: none"> Job creation and income generation as a result of energy diversification JM becoming a fresh produce market leader in innovation in respect of the green economy Energy generation through organic waste conversion 	<ul style="list-style-type: none"> Transformation in fresh produce market operating practises; Self-sustaining families and SMME's Clean air & Safe food

3.2.3 Contribution to the Economic Developments Cluster

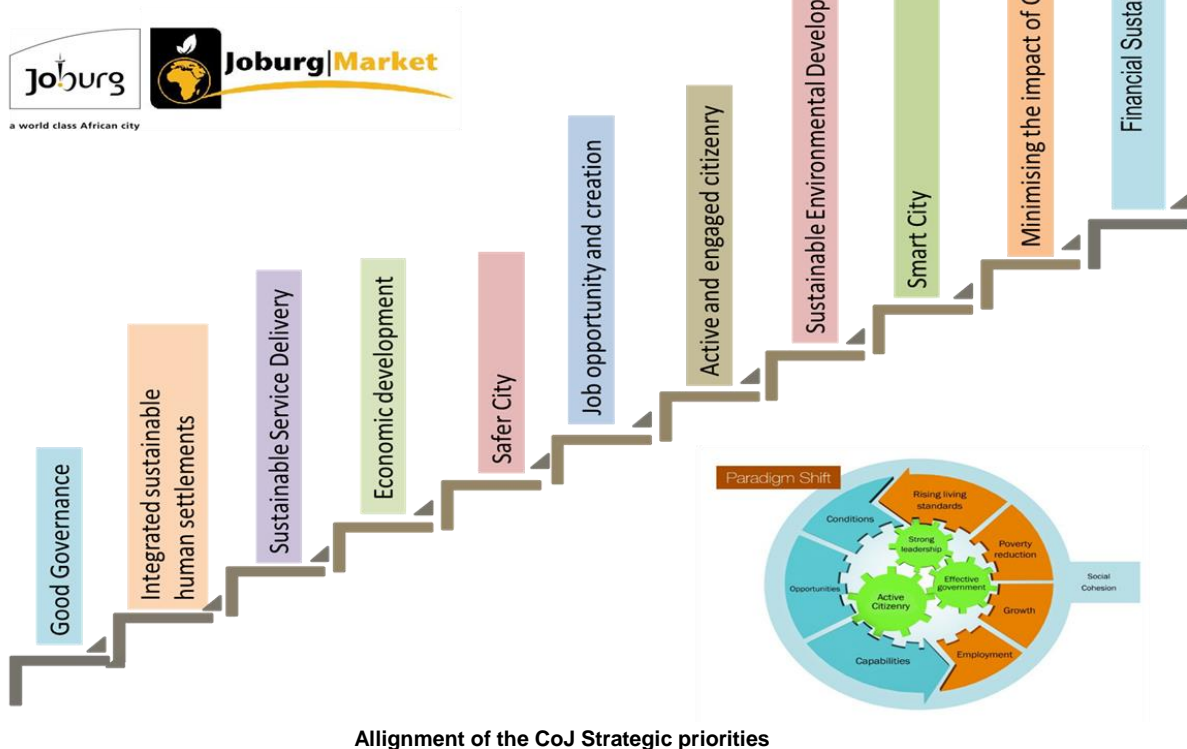
JM forms part of the Economic Developments Cluster. The Company has therefore aligned its activities with the cluster to ensure the envisaged synergies for this unique cluster.

Cluster outcome	Key flagship programmes	Indicator	JM Projects : 2021/22
SMME development	<ul style="list-style-type: none"> Economic development strategy: SMME export opportunity development 	<ul style="list-style-type: none"> Targeted increase in trading at JM with SADC destinations Attract more Exporters of produce DED opportunity centre at JM through JM - Export Desk 	<ul style="list-style-type: none"> Trading Space optimization project Export compliance enhancement: <ul style="list-style-type: none"> -Pack house -Export compliance drive
Business friendly City	<ul style="list-style-type: none"> Communications and stakeholder management 	<ul style="list-style-type: none"> Targeted trading and emerging entrepreneur development Create forums with Stakeholders 	<ul style="list-style-type: none"> Trading Space optimization project
Promotion of urban agriculture	<ul style="list-style-type: none"> Economic development: Urban farming projects 	<ul style="list-style-type: none"> Targeted trading and emerging entrepreneur development 	<ul style="list-style-type: none"> Packhouse development Opportunity linkage drive Trading of produce from urban farmers
Targeted procurement	<ul style="list-style-type: none"> Economic development strategy 	<ul style="list-style-type: none"> Targeted procurement practises 	<ul style="list-style-type: none"> Promotion of JM opportunities for emerging entrepreneurs

3.3 Key Shareholder Programmes

As municipal entity in the Economic Development Cluster of CoJ, JM will be co-delivering on the quest to achieve the objectives of CoJ through implementation of new strategic priorities.

Our strategic direction



3.3.1 Work creation programmes - Coproduction

The creation and coproduction in creating jobs in the community remains a strategic focus area for the Joburg Market. The identified projects for such ventures during 2021/2022;

- Palisade Repairs And Painting Works;
- Roller Shutter Door Repair And Paint Works;
- Ablution Blocks Deep Cleaning Works;
- Complementary Services (Cold Room & Banana Rooms) Deep Cleaning Works;
- Sales Halls Deep Cleaning Works;
- Carports Repairs And Paint Works and
- Garden Works.

SMME entails the appointment of service providers as follows:

- Small entrepreneurs rendering services like Catering, provision of stationery, consumables such as detergents, etc.
- SMME will also entail the contractual imperative on contractors to utilize local small entrepreneurs as sub-contractors.

Co-production activities:**In the case of Joburg Market, co-production will entail the following:**

- The operations of a pallet pool system where a group of persons from a targeted group is allowed to produce recondition and new pallets in the pool system for serving agents, farmers and buyers from a central facility provided by JM. These pallets are being utilized for the handling and transportation of fresh produce. Residue materials – normally off cuts and broken wood sections - are available for the production of pallet products such as furniture, etc.
- The second opportunity in co-production is available where small buyers become members of a club system which supports JM in making the market user friendly and neater. Examples in this regard is where small buyers organize their members to conduct sorting of their purchased produce at dedicated areas. Club members are rewarded through promotional programme incentives.

3.3.2 Green economy initiatives

Joburg Market is collaborating with EISD to harvest waste in support of the Bio-Gas Project being driven by the City.

- **Conversion of waste to energy**
 - Cleaner market;
 - Lower refuse collection and cleaning costs.
- **Implementation of JM energy strategy**
 - Solar panels;
 - Biofuel developed from waste and tri-generation opportunities.

3.3.3 Communication and Stakeholder Engagement

To enhance Communication and Stakeholder Engagements at the Joburg Market, an Integrated Marketing and Stakeholder and Engagement Strategy were developed and will be rolled out. The JM stakeholder engagement matrix is attached as Annexure 3.

JM will therefore be focussing on the CoJ Priorities and Programmes based on its core mandate. This will include the following:

Programmes	Action	Comment
Market Agents	<ul style="list-style-type: none"> • Regular IMASA meeting • Issue management (positive/negative) • Provide feedback promptly • Create strategic partnerships 	<ul style="list-style-type: none"> • Existing IMASA Forum • Explore BEE Market Agents support opportunities • Host periodic Strategic Meetings
Continental	<ul style="list-style-type: none"> • Encourage export and import of out of season produce • Enhance export trade from JM 	<ul style="list-style-type: none"> • Stakeholder buy-in to be bolstered • Awareness of international export opportunities
Farmers (big/small)	<ul style="list-style-type: none"> • Outreach programmes which encourage in-bound visits to showcase JM and its SMART MARKET enhancements • Encourage producers use JM as place to sell high quality produce 	<ul style="list-style-type: none"> • Focus transformation • Focus on market access
Buyers (big/small)	<ul style="list-style-type: none"> • Regular contract with buyers • Collaborate with customer care unit 	<ul style="list-style-type: none"> • Refined budget allocation • Improve customer care approach
COJ as shareholder	<ul style="list-style-type: none"> • Compliance with the SDA and Shareholder Compact 	<ul style="list-style-type: none"> • Constant appraisal of JM compliance and reporting processes

3.3.4 Day to day action

Stakeholder expectations	CoJ Priorities	Day-to-Day Function leader	Key Performance Indicator	Baseline (2020/21)	Target 2021/22 financial year	2021/22 Budget (per programme)		2021/22 target			
						Cape x	Opex	Q1	Q2	Q3	Q4
“Fresh produce markets should be clean, safe and efficient in their systems and services in serving the fresh produce client”.	Active and engaged citizenry	Marketing and Communications	(1) Percentage compliance to stakeholder engagement plan	95% compliance	100% compliance	-	TBC	100% compliance	100% compliance	100% compliance	100% compliance
	Minimising the impact of Covid 19	SHE	(2) Percentage compliance with Covid 19 control measures	100%	100%		TBC	100% compliance	100% compliance	100% compliance	100% compliance
	Smart City	ICT	(3) Percentage functionality of key ICT systems (SPS, JDE and E-mail)	98% availability	98% availability	-	TBC	98% availability	98% availability	98% availability	98% availability

Stakeholder expectations: Fresh produce markets should be clean, safe and efficient in their systems and services in serving the fresh produce client".	CoJ Priorities	Day-to-Day Function leader	Key Performance Indicator	Baseline (2020/21)	Target 2021/22 financial year	2021/22 Budget		CoJ Priorities	Day-to-Day Function leader	Key Performance Indicator	Baseline (2020/21)
	Good Governance	Security	(4) Security and CCTV surveillance available for 24 hours throughout the year	24 hours availability throughout the year	24 hours availability throughout the year	-	TBC	24 hours availability throughout the year	24 hours availability throughout the year	24 hours availability throughout the year	24 hours availability throughout the year
	Sustainable Service Delivery	Infra-structure Services	(5) Percentage of targeted budgeted repairs & maintenance interventions implemented	85% of targeted budgeted repairs & maintenance interventions implemented	85% of targeted budgeted m repairs & maintenance interventions implemented		TBC	25% of targeted budgeted repairs & maintenance interventions implemented	50% of targeted budgeted repairs & maintenance interventions implemented	75% of targeted budgeted repairs & maintenance interventions implemented	85% of targeted budgeted repairs & maintenance interventions implemented

Day to day KPI definitions

The day to day KPI definitions are summarised in the table below:

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	Compliance to stakeholder engagement plan	This KPI aims at Joburg Market achieving a set quarterly target level of achieving the actions as planned in the marketing and communication action schedule	This information comes from quarterly reporting produced by the marketing department and is key to ensuring suitable levels of stakeholder engagement and communications	The indicator is calculated by dividing the number of deliverables executed into the planned number of deliverables x 100.	The marketing reports compiled are compared to targeted deliverables and expressed as percentage. <u>MOV:</u> Generate the monthly report for the registration of buyers from the SPS central trading system	The indicator is measuring outputs	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 Marketing & communications

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
2	Percentage compliance with Covid 19 control measures	The KPI measures the level of compliance to Covid 19 control measures introduced at JM	The KPI is intended to ensure compliance to Covid 19 measures and to early detect areas of inadequate measures and processes	The information is derived from the execution of Covid 19 measures and the inspection of same	Monthly and Quarterly checklists are aggregated to produce a cumulative figure <u>MOV:</u> Generate the monthly report for compliance from a checklist	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator is regarded as new from a process perspective	Performance that is higher is desirable	Snr. Manager Compliance
3	Percentage functionality of key ICT systems (SPS, JDE and E-mail)	The KPI measures the level of functionality of the JM ICT systems	The KPI is intended to ensure compliance to targets set for the 3 systems	The information is derived from the IT reports for the failover tests and registered down times	Monthly reports are aggregated to produce a cumulative figure <u>MOV:</u> Generate the	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Corporate Services

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
				where applicable	monthly report for ICT availability from IT management reports						
4	Security and CCTV surveillance available for 24 hours throughout the year	The KPI is measuring compliance to the targeted level of availability of the CCTV surveillance system and to early detect areas of inadequate measures and processes	The KPI is intended to ensure compliance to the targeted level of availability of the surveillance system	The information is derived from the CCTV management reports for equipment failures and registered down times	Monthly reports are aggregated to produce a cumulative percentage figure. <u>MOV:</u> Generate the monthly report for CCTV availability from CCTV management reports	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Snr. Manager Compliance

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
5	Percentage of targeted budgeted repairs & maintenance interventions implemented	This KPI measures the Repairs & Maintenance budget expended in monetary (R/M) terms in relation to the entity's formal OPEX budget. The targets and results in the company scorecard are exhibited in cumulative indicators.	The KPI is intended to track and monitor R & M expenditure in relation to JM's OPEX Budget	The information is derived from the monthly and quarterly financial records of the company	Monthly and Quarterly Actual invoices of aggregated R & M amount are derived from Financial Records of the company <u>MOV:</u> Generate the monthly OPEX report to find the R&M expenses of JM from the JDE financial system	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Core Operations

4. RISK MANAGEMENT AND INTERNAL AUDIT

4.1 Joburg Market Strategic Risks 2016/17

4.2 Internal Audit

JM has an independent Internal Audit Unit, which reports functionally to the Audit and Risk Committee of the Board and administratively to the Chief Executive Officer. The Unit carries out its functions in accordance with approved Internal Audit Charter.

The scope of work of Internal Audit is to determine whether the organisation's network of governance, risk management and control processes as designed and presented by management is adequate and functioning in a manner that ensure that:

- Risks are appropriately identified and managed
- Financial and operational information is accurate, reliable and timely
- Employees' actions are in compliance with the applicable laws and regulations
- Resources are acquired economically and used efficiently and effectively,
- Assets are safeguarded
- Monitor the resolution of the Auditor General findings

In developing its work plan, the Internal Audit Unit follows a risk-based approach, taking into account the following:

- Strategic focus areas as contained in the Business Plan
- Strategic risk register and operational risk registers
- COJ Group Internal Audit requirements
- Prior years' external and internal audit findings
- Legislative requirements.

The Internal Audit Plan is subject to approval by the Audit and Risk Committee.

5 FINANCIAL MANAGEMENT

In line with the City's approved financial development plan (FDP), GDS, IDP, nine priorities, the financial management function is the key driver to achieve financial sustainability in the JM. It is responsible for the organization aspects of its financial health. It is accountable for the resources entrusted to it, including funding, expenditure management, and cash-flow management including budgets and accounting responsibilities. It also involves the implementation of business process engineering to effect strong internal controls.

It ensures that all funds are spent in accordance with JM policies and procedures, and operating needs met within available budgets. Its responsibility also includes financial management, and development of investment strategies and financial reporting and expenditure monitoring. It encourages units to develop an oversight process that builds on best practices. It determines all funding sources, expenditures and reserves available for future use (excluding those already committed and budgeted for current period). Furthermore; it includes all outstanding commitments to unit-wide programs, capital projects. The department also provides management with information necessary to make strategic decisions at any time during the year.

5.1 Fixed Asset Controls and Insurance

The JM Fixed Assets business unit within the Finance structure is tasked and responsible for the safeguarding and management of its assets and insurance of assets thereof. The management of the Company's fixed assets being Property, Plant, Equipment, Investment Property and Intangibles by means of ensuring that the requirements of the strategic objectives and operational needs are met with the allocation of a capital expenditure budget. This process entail planning and proper budgeting of all capital projects, acquisition, maintenance and disposal of scrap and redundant assets are in terms of the Finance policies and procedures.

All acquisitions and disposals are carried out in line to the requirements of the MFMA and Supply Chain Regulations. These include among others; maintenance of the Joburg Markets fixed asset register by means of physical asset verifications, impairments and re-valuations of assets. The insurance component includes; insurance for business continuity, assets, employees, accidents and asset loss.

5.2 Supply Chain Management

Supply chain management at JM serves to enhance compliance, improve accountability and transparency, update measures required to combat fraud in the supply management value chain. It supports the sound financial management processes in place to improve service delivery. SCM provides the mechanisms for implementing demand, acquisition, logistics and performance management.

SCM plays a pivotal role by spanning demand, right from the end-customer's requirement to the suppliers that provide the goods and services to meet the needs. It involves going beyond the suppliers that interface with the organisation in order to effect improvements. These may include removing cost, increasing quality or ensuring ethical, environmental or socially responsible inputs.

The Supply Chain's role in JM is performed in terms of applicable legislative and regulatory requirements.

5.3 Cashiering

To further ensure an effective cash management system and approach, the cashiering department supports the business by ensuring that all cash received from customers is safely deposited, all refunds are deposited to customer's accounts, all cashiers perform a daily balancing function and all daily cash is deposited through the officially appointed service providers for banking purposes.

5.4 Budget 2021/22

The budget for 2021/22 has been prepared using the following key parameters and assumptions:

- The revised budget for 2020/21 has been used as the base period for the medium term budget (MTB)
- The CoJ indicatives have been followed:

	2021/22	2022/23	2023/24
Estimated CPI	4,3%	4,4%	4,5%
Estimated Salary Interest (as per SALGA agreement)	4.3%	4,4%	4.5%
Estimated Loan interest	9.75%	10.45%	11.62%
Budgeted Rental Increases	4,3%	4.4%	4.5%
Commission Income	5%	5%	5%

CoJ Key Indicatives

5.5.1 Finance Key Priorities

In line with the CoJ long term impact (GDS 2040 related output) is to build a financially and administratively sustainability and resilient City. Therefore the key priorities of Joburg Market are as follows:

- Obtain a clean audit;
- Increase collection levels to 95% of billing in 2020/21;
- Effective budget management – (Costs containment);
- Business process re-engineering.

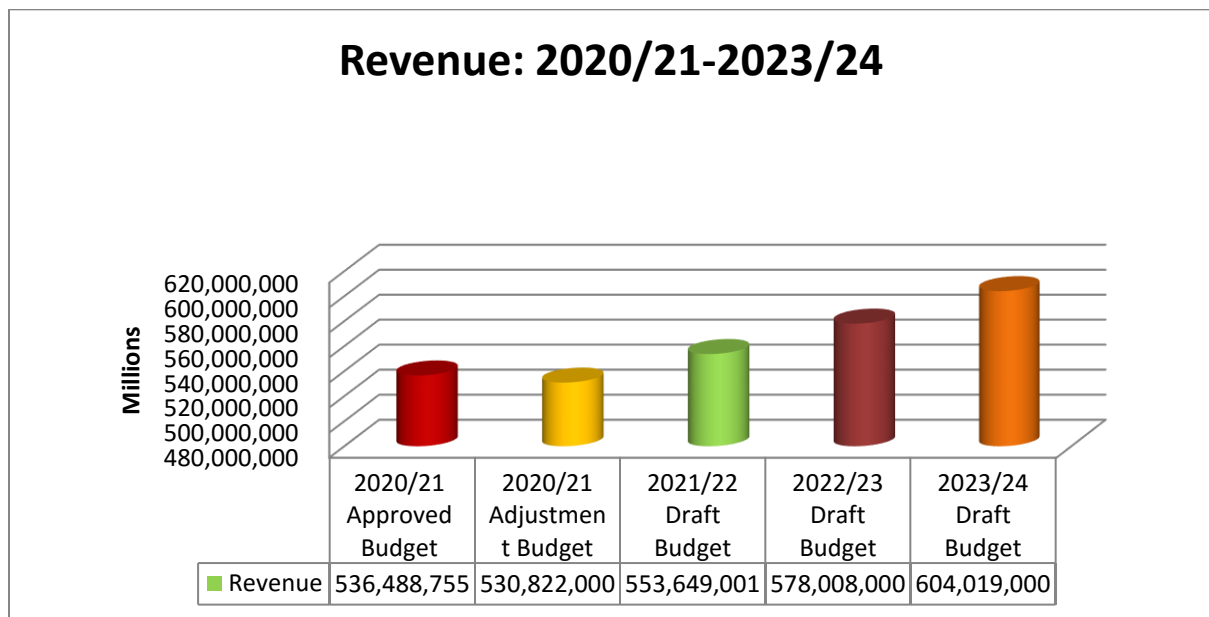
It is envisaged in order to ensure maximum budget spending the following strategies have been adopted.

- Improved budget and programme planning: Extensive consultation during target setting;
- Focus on improving supply chain processes;
- Internal monthly expenditure monitoring as an early warning mechanism;
- Effective financial policies and procedures;
- Effective business processes for internal control.

5.5.2 Income Statement and Commission revenue

- Commission revenue remains constant at R420.6 million from the original budget and a growth of 3.0% is anticipated for outer years.
- Net internal revenue decreased by R1.7 million, the decreased is attributable to interest received from the sweeping account decreased of R3.4 million and increased from interest received from the Deposit ban account of R1.7 million.

Graph 1 below depicts the Revenue over the MTB



Revenue over the MTB Period

5.5.3 Rental Revenue

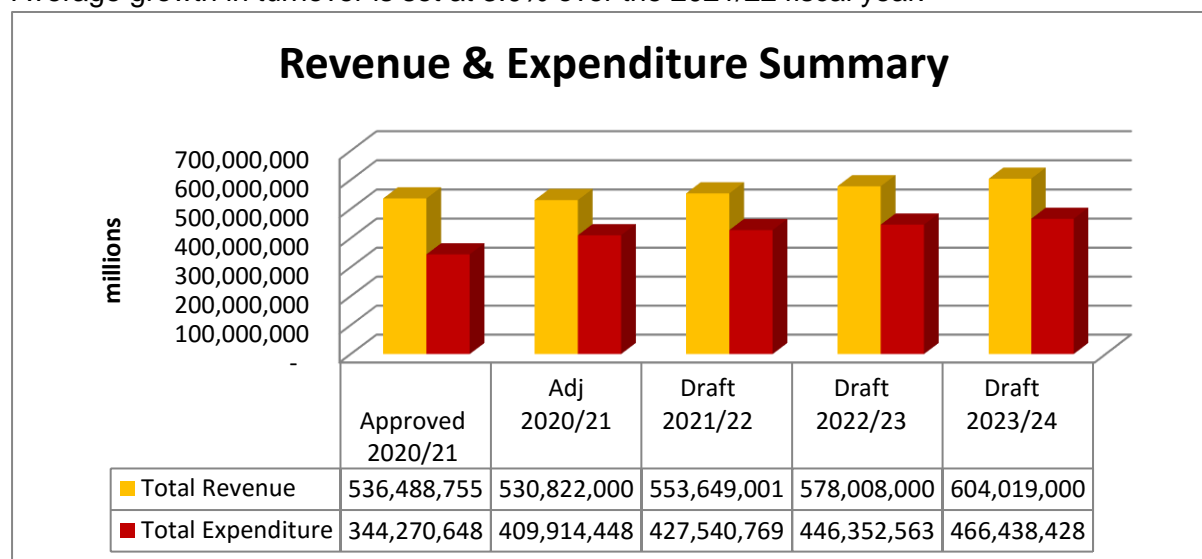
The total rental revenue has decreased from R73.4 million to R69.5 million in 2020/21 Financial year which reflect a decrease of 5.8% from the original budget. The increase in rental of building facilities is linked to CPI, which is estimated to be 4.3% in 2021/22 financial year. Due to improved maintenance programmes the facilities in the outer years will contribute significantly towards the total revenue.

5.5.4 Total Revenue/total Expenses

Revenue declined from R536.5 million to R530.8 million from the original budget on 2020/21 financial year due to decreased in rental facilities.

The revenue will grow from R530.8 million to R553.6 million in 2021/22 financial year;

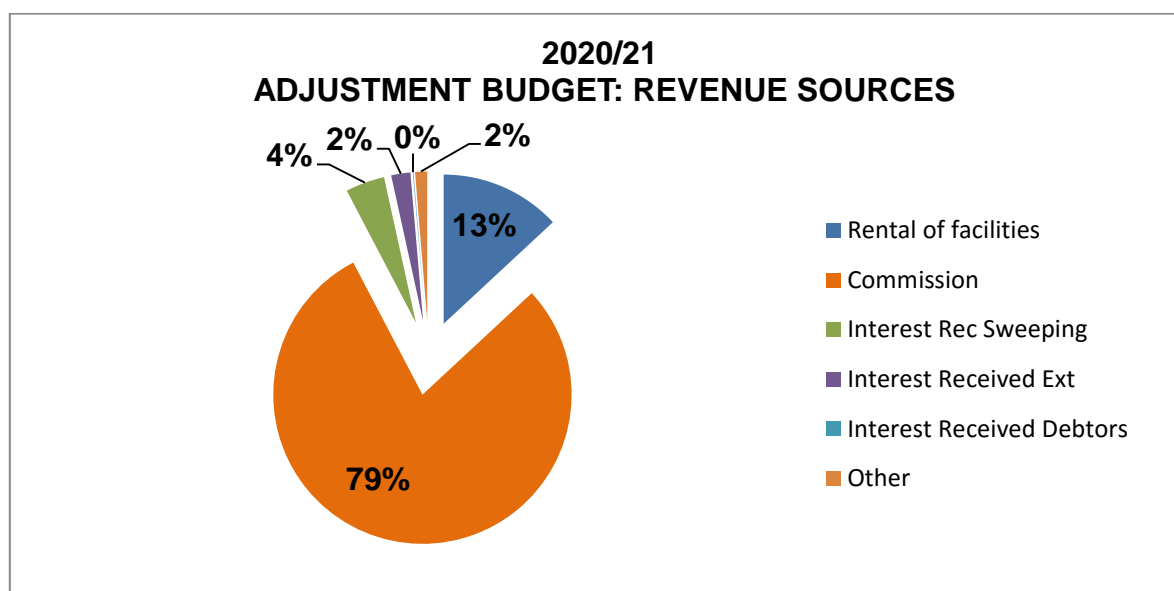
Average growth in turnover is set at 3.0% over the 2021/22 fiscal year.



Revenue/expense projections for the next three years

5.6 Operational Expenditure

The core revenue for the Company consists mainly of commission income which accounts for 79% of the total revenue as reflected in figure below.



2017/18 Revenue Sources

It is anticipated that rentals will account for 13% of revenue with the balance coming largely from cash handling fees and other income.

5.6.1 Personnel Costs

Personnel cost will increase by 7.5% from R154.3 million to R166.9 million in 2020/21 Financial year and will increase by 4.3% from R166.9 million to R174.1 million in 2021/22. The increase provides for the normal increases against the usual based on the estimated salary increase (as per SALGA agreement) and includes only critical vacancies required.

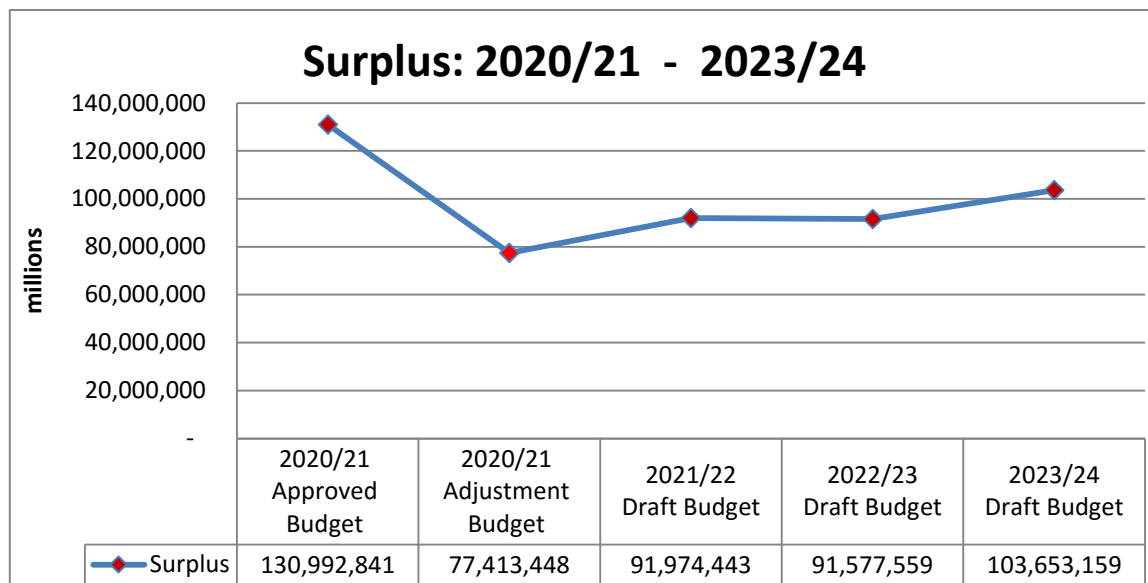
5.6.2 Other Operating Expenditure

The increase in other operating expenditure is as follows: Depreciation – The budget decreased from R28.8 million to R27.9 million which represent 2.9% decrease on the 2020/21 financial year and an increase of 3% (R28.8 million to R30.0 million) on the 2021/22 financial year. This is mainly due to projects being capitalized within the financial year. The Capital expenditure budget for 2020/21 is R200.4 million.

- Repairs & Maintenance – Increase from R24.1million to R48.8 million (50.5%) on the 2020/21 financial year and the increase attribute to backlogs in repairs & maintenance or the ageing infrastructure.
Repairs & Maintenance increase from R48.8million to R50.9 million (102.1%) on the 2021/22 financial year and the outer years increase is in line with increase of CPI as per the indicatives provided.
- Operational expenses increase by 23.5% from R84.3 million to R110.2 million on the 2020/21 financial year and increase from R110.2 million to R114.9 million (30.8%) The outer years increase is in line with increase of CPI as per the indicatives provided.

5.6.3 Surplus

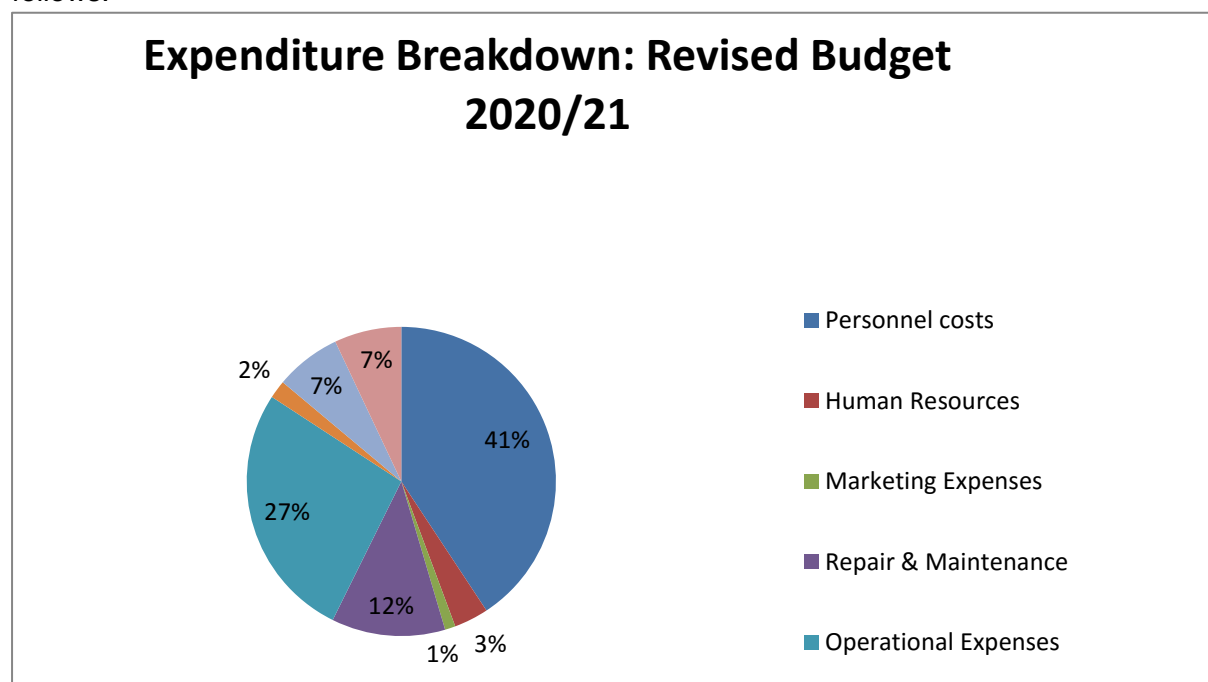
Surplus after tax for 2020/21 financial year decreased from R130.9 million to R77.4 million (69.2%) and increased from R77.4 million to R92.0 million (18.8%) on the 2021/22 financial year. In the 2022/23 financial year, Surplus after tax represent a slightly increased of 0.4%.



JM Surplus Projection

5.6.4 Expenditure Medium Term Budget for 2020/21 – 2023/24 Financial years

In terms of the Mid-Term Expenditure Framework, the key indicators for FY: 2020/2021 is as follows:



FY2020/2021 ExpenditureBreakdown

The table below depicts a detailed report indicating the outer year's financials

INCOME STATEMENT											
	Approved Budget 2020/21	% Var	Final ADJ Budget 2020/21	% Var	Draft Budget 2021/22	% Var	Draft Budget 2022/23	% Var	DRAFT Budget 2023/24	% Var	
Turnover	8 411 916 502	0.0%	8 411 916 502	0.0%	8 664 273 998	3.0%	8 924 202 219	3.0%	9 191 928 286	3.0%	
Tonnage	1 492 224	0.0%	1 492 224	0%	1 556 390	4.3%	1 624 871	4.4%	1 697 990	4.5%	
Rands / Ton	5 637	0.0%	5 637	0.0%	5 567	-1.2%	5 492	#N/A	5 413	-1.4%	
Revenue	536 488 755	1.1%	530 822 000	-1.1%	553 649 001	4.3%	578 008 000	4.4%	604 019 000	4.5%	
Rental	73 471 532	5.8%	69 463 962	-5.5%	72 450 913	4.3%	75 638 753	4.4%	79 042 497	4.5%	
Commission 5%	420 595 825	0.0%	420 595 825	0.0%	438 681 446	4.3%	457 983 429	4.4%	478 592 683	4.5%	
Interest received- Sweeping	25 863 888	15.0%	22 496 475	-13.0%	23 463 823	4.3%	24 496 232	4.4%	25 598 562	4.5%	
Interest received- Bank	9 320 148	-15.3%	11 000 000	18.0%	11 473 000	4.3%	11 977 812	4.4%	12 516 814	4.5%	
Interest received- Debtors	358 000	0.0%	358 000	0.0%	373 394	4.3%	389 823	4.4%	407 365	4.5%	
Other Sundry revenue	6 879 362	-0.4%	6 907 738	0.4%	7 206 425	4.3%	7 521 951	4.4%	7 861 079	4.5%	
EXPENDITURE	344 270 648	-16.0%	409 914 448	19.1%	427 540 769	4.3%	446 352 563	4.4%	466 438 428	4.5%	
Personnel costs	154 393 000	-7.5%	166 902 226	8.1%	174 079 022	4.3%	181 738 499	4.4%	189 916 731	4.5%	
Human Resources	14 201 035	-4.1%	14 801 035	4.2%	15 437 480	4.3%	16 116 729	4.4%	16 841 982	4.5%	
Marketing Expenses	4 501 431	0.0%	4 501 431	0.0%	4 694 992	4.3%	4 901 572	4.4%	5 122 143	4.5%	
Repair & Maintenance	24 126 002	-50.5%	48 754 372	102.1%	50 850 810	4.3%	53 088 246	4.4%	55 477 217	4.5%	
Operational Expenses	84 282 939	-23.5%	110 208 009	30.8%	114 946 953	4.3%	120 004 619	4.4%	125 404 827	4.5%	
Information Technology Expenses	7 722 594	0.0%	7 722 594	0.0%	8 054 666	4.3%	8 409 071	4.4%	8 787 479	4.5%	
Finance & Administration Expenses	27 078 199	-4.1%	28 231 757	4.3%	29 445 722	4.3%	30 741 334	4.4%	32 124 694	4.5%	
Depreciation & Amortisation	27 965 447	-2.9%	28 793 024	3.0%	30 031 124	4.3%	31 352 493	4.4%	32 763 356	4.5%	
P B I T	192 218 108	59.0%	120 907 553	-37.1%	126 108 232	4.3%	131 655 437	4.4%	137 580 572	4.5%	
Internal Charges	8 538 000	-1.2%	8 641 564	1.2%	9 013 151	4.3%	9 409 730	4.4%	9 833 168	4.5%	
Net Interest Paid	1 745 606		1 111 200		1 160 638		1 210 149		1 265 245		
Profit /Loss of assets scrapped	0		0		0		0		0		
Surplus before tax	181 934 502	63.7%	111 154 788	-38.9%	115 934 443	4.3%	121 035 559	4.4%	126 482 159	4.5%	
Taxation	(50 941 660)	51.0%	(33 741 341)	-33.8%	(23 960 000)	-29.0%	(29 458 000)	22.9%	(22 829 000)	-22.5%	
Surplus	130 992 841	69.2%	77 413 448	-40.9%	91 974 443	18.8%	91 577 559	-0.4%	103 653 159	13.2%	

Employee related costs have been increased in line with the indicatives, assumptions and key parameters. The filling of vacancies will be prioritised to key strategic & critical positions. Repairs & maintenance budget is at 12% of the total operating expenditure which is aimed at protecting the capital investment. Administrative and non-service areas budget have been reduced and savings identified. The City's mandate on CPI and loan interest parameters has been implemented.

5.7 Capital Projects

The Entity's approved Capital Expenditure Budget for the 2021/22 financial year amounts to R199.5 million. The Capex budget is mainly attributable to building improvements of the aging infrastructure.

The Capital Expenditure for 2021/22 will address the following asset classes:

- Installation of Sprinkler System with Associated Bulk Water Supply
- IT servers and UPS Renewal Computer Hardware
- Office equipment New/Renewal New Office Equipment

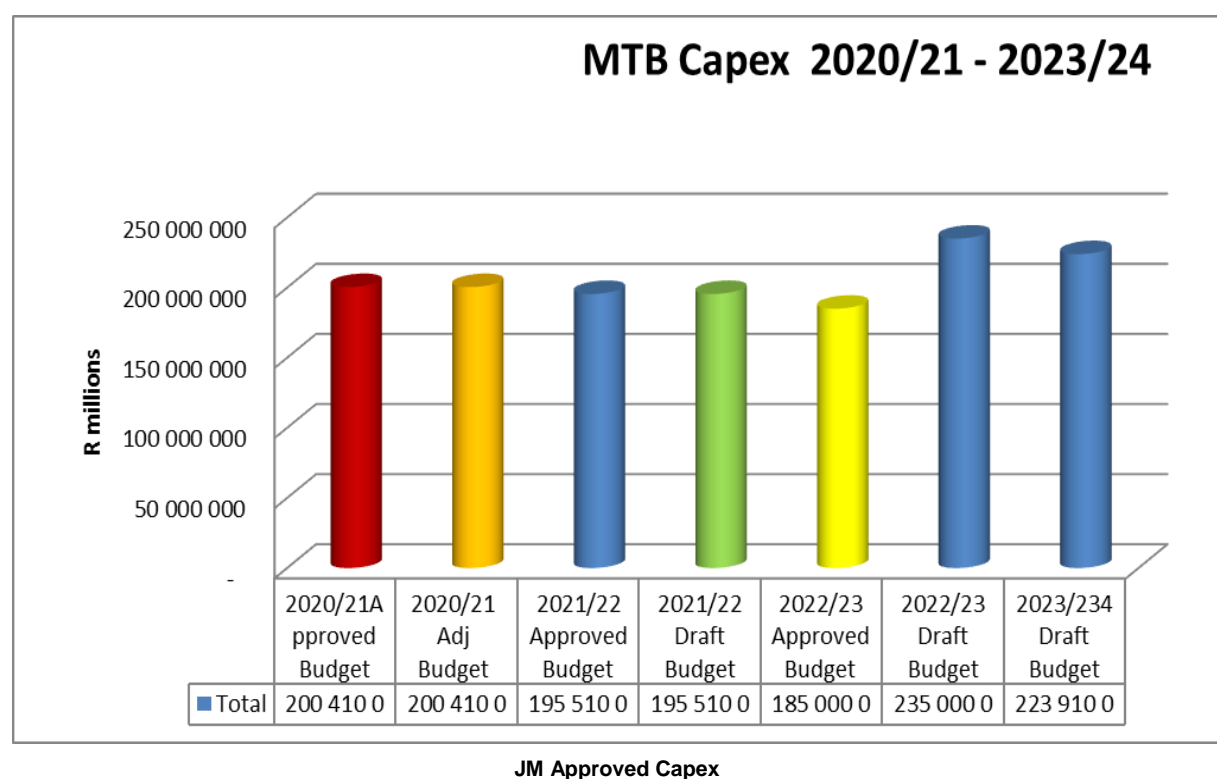
- Operational Capital: Computer Hardware New/Renewal Renewal Computer Hardware CITY DEEP EXT.22 F Regional
- Operational Capital: Replacement of the roof at trading halls New Building Alterations CITY DEEP EXT.22 F Regional
- Operational Capital: Upgrade CCTV Renewal Computer Software CITY DEEP EXT.22 F Regional
- Upgrades to the main Buildings(Mandela Market, Cold rooms Offices & Food Courtyard
- Upgrading of Banana Ripening and Cold rooms
- Operational Capital-Cleaning Insourcing
- Extension of Trading Halls at Joburg Market
- Constructions of Pack House for emerging farmers at Joburg market
- Upgrades of Market facilities Cooling of Halls
- Installation of Smart meters-Revenue Protection Alternative Energy system

The Capital expenditure for 2021/22 will be spent per asset class as depicted in figure below;

Asset Class	2020/21 Approved Budget	2020/21 Adj Budget	2021/22 Approved Budget	2021/22 Draft Budget	2022/23 Approved Budget	2022/23 Draft Budget	2023/24 Draft Budget
Information Technology	29 410 000	29 410 000	21 410 000	21 410 000	11 000 000	11 000 000	4 410 000
Land & Building	122 000 000	120 000 000	160 100 000	160 100 000	172 000 000	222 000 000	216 000 000
Office Equip							
Office Equip	5 000 000	6 000 000	2 000 000	2 000 000	-	-	2 500 000
Plant and Equip	44 000 000	45 000 000	12 000 000	12 000 000	2 000 000	2 000 000	1 000 000
Software	-						
Market of the Future	-						
Total	200 410 000	200 410 000	195 510 000	195 510 000	185 000 000	235 000 000	223 910 000

JM Capex Sources FY2020/21 - 2023/24

5.7.1 Detail Medium Term Capital Budget 2020/21



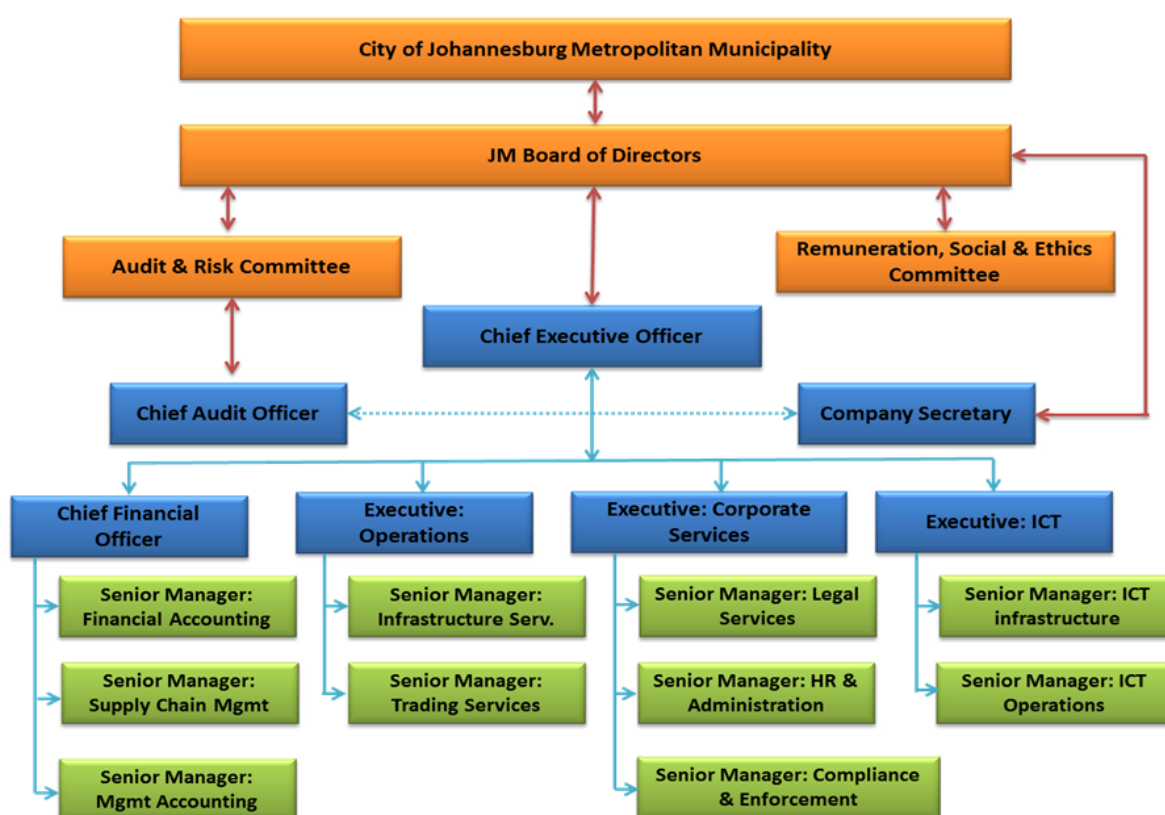
5.7.3 Capital Expenditure implementation plan

JM is on a concerted drive to improve capital expenditure at the JM facilities. The focus therefore will ensure that the following are implemented:

- Demand and acquisition plan to be finalized before the start of the financial year.
- Implementing the acquisition plan before the end of Quarter 1.
- SCM committees are properly identified and trained in SCM processes and regulations.
- Utilizing a panel of Service providers to synergize demand acquisition.
- Capex forum held on a regular basis to monitor progress on the Capex implementation plan.

6 Organisational Structure

JM has adopted the following organisational structure in order to carry out its mandate:



Joburg Market Organisational Structure

6.1 Office of the CEO

In addition to CEO's responsibilities as an accounting officer, the CEO is administratively responsible for the following functions:

- **Internal Audit**

The internal audit function also submits reports to the Audit Committee of the Board of Directors. As part of its ongoing campaign to ensure compliance, regular audits are conducted and reviews undertaken to support the JM in its quest to adhere to legal and legislative compliance. The function also supports the effort to comply with the principles of the King Code on corporate governance.

- **Company Secretariat**

The Company secretarial service supports the functions of the Board and reports to the CoJ. The application of bylaws and relevant agricultural legislation requires constant legal support by this function. The vetting and drafting of commercial contracts also forms part of its mandate.

- **Monitoring and Evaluation**

Following the approval of a performance management system in compliance with the provisions of the Municipal Finance Management Act (MFMA) the function resides with the office of the CEO.

Performance Management is monitored by the Board through its committee systems and forms part of key strategic planning sessions.

- **Strategic Planning**

Strategic planning includes the development of annual and 3 year business plan. The function is also responsible for longer term strategic planning and trend analysis based on developments in the many spheres of the fresh produce industry. It provides input to an organisation of regular strategic sessions.

- **Transformation**

The objective of this function is to transform the JM's current state, with respect to Broad Based Black Economic Empowerment (BBBEE) and operational efficiency, into a market that is world class, highly efficient and supports BBBEE.

This objective will be achieved by:

- Enabling targeted beneficiaries to conduct business in the main stream trading opportunities for fresh produce
- Nurturing sustainability of beneficiaries through continuous support programmes backed by suitable expertise
- Harness the goodwill of stakeholders to establish food security across the CoJ
- Building and supporting the good image of targeted entrepreneurs with major fresh produce buyers and distributors

- **Project Management Office (PMO)**

The role of the PMO is the management of all projects for the Market through the appropriate application of project management principles. Once completed, some project outcomes will be incorporated into day-to-day operations.

6.2 Marketing and Communications - Stakeholder engagement

The function performs the following marketing tasks:

- Key account management;
- Local and International Stakeholder relations;
- Customer care;

- Marketing research;
- Promotions; and
- Corporate social investment.

This function is mainly conducted from a Business-to-Business perspective. Clients are dispersed across South Africa and the SADC region. The Marketing division also plays a vital role in the Corporate Social Investment program of JM and supports the Food Support Centre.

Marketing & communication activities include participation in exhibitions, media projects and Industry related conferences and seminars.

The following portfolio of services is rendered by the above department:

- The objective of this unit to ensure that all government communications are dealt with accordingly and that all government objectives and processes are achieved and followed by JM respectively.
- The function of international relations is conducted by the CEO and an international relations manager. Special emphasis is placed on the development of trading in the SADC region and other viable trading opportunities with countries on the African continent including islands such as Mauritius and the Middle East.
- The JM also holds membership with the World Union of Wholesale Markets (WUWM) and the Produce Marketing Association of America (PMA). Head offices of these institutions are located in the Netherlands and the United States of America.
- The above mentioned organisations provide a platform to ensure regular information flow to its members and facilitate networking opportunities. Innovation and modernisation information received at international conferences and Expos holds great value to the planning processes of JM.
- From the SADC region the JM is continuing to experience a growing number of buyers. Distances and logistical challenges remain a major challenge and the JM will be involved in researching technologies and methods to enable the tapping of this market opportunity.
- Intergovernmental relations with NDAFF and GDARD will be built around key projects and programmes. .
- NDAFF and the NAMC will be consulted on a regular basis to extend the information bank to be established at JM for its programmes and projects.

6.3 Compliance and enforcement

The following portfolio of services is rendered by the above division:

- **Compliance and Enforcement**
 - Development and Implementation of the Security Plan.

- Physical Security at the Market
 - Management of outsourced security service.
 - Incident Management
 - By-law enforcement.
 - Physical patrolling of the Market Premises
 - Engage external Law Enforcement Agencies on security measures at the Market.
 - CCTV renders complementary support to physical security at the Market.
 - Monitoring of activities in and around the Market
 - Analysis of data to develop counter measures
- **Safety, Health and Environment**
 - Ensuring compliance with OSH Act.
 - Occupational Health and Safety assessments
 - Emergency and Evacuations Plans
 - Management of Occupational Injuries and Diseases.
 - Deployment and servicing of emergency tools and equipment.
 - **Risk Management**

The risk management function is performed strictly in accordance with the policies of the CoJ and the corporate risk function of the Shareholder. The King Code Reports on corporate governance emphasises three key areas for organisations to focus on in terms of Risk Management, namely;

Each Company has a responsibility to develop an integrated strategic risk register. In line with this, JM has developed a strategic risk register that is aligned to the Company Business Plan and the City of Johannesburg's Risk Management Framework;

The Board has a responsibility for the governance of risk, through formal processes which includes the system and process of risk management as stated in the King Code reports. In conjunction with Board, JM has adopted a formal process on risk management, with quarterly reporting to Board and the COJ Group Risk Assurance

6.4 Core Operations

The following portfolio of services is rendered by the above division:

- **Consignment Control**

Consignment control and consignment audit ensures that all produce entering the Market site is captured accurately to ensure that all income is recorded at the correct levels. Secondly it also aims to protect the interests of both producers and buyers. In the latter respect the CEO of JM performs the role of an independent "referee". Powers to conduct this role is *inter alia* embedded in the Market bylaws.

- **Commission Business**

This function is custodian of the services rendered to clients and for which an ad valorem market due of 5 percent is collected on the gross value of each consignment sold. It ensures orderly trading practices and conducts the daily operations of the trading halls and services supporting trading.

- **Property administration**

- JM provides cold storage and ripening services from which usage income is derived. Furthermore, in terms of the bylaws and policy directives utilised to manage the market, income is also derived from fees and fines such as floor storage charges if produce remain unsold for an extended period. The Property function acts as a property management function managing these income generating properties.
- Property rental is the second largest contributor to the income of JM. Clients operate diversified activities on the Market site which require in general a high level of risk awareness and as a consequence regular risk and housekeeping assessments are conducted.
- To further support the Joburg Market expansion and growth strategy, the property **services** department supports the business by determining the rental rates as per stipulated guidelines; advertise vacant premises and recommending suitable tenants, producing leasing agreements including repair and maintenance. In addition, the function includes invoicing, receipting, debt collection and reporting

- **Infrastructure**

- This division is also responsible for the maintenance of the facilities and equipment of the Market. Critical installations such as the cold stores and ripening chambers are sensitive to even mild deviations and require continuous availability of trained support staff.
- The various buildings and other amenities requires regular maintenance and upgrading. Maintenance activities are structured in a maintenance plan for JM

- **Food Quality Assurance**

Quality assurance is an inspection service ensuring product quality standards as well as food safety in protecting the interests of consumers. In particular random tests are conducted to ensure that no unduly high levels of agricultural chemical residues such as insecticides, fungicides and herbicides are present on food products received at the market for sale. The division also monitors hygiene compliance of market facilities and

works closely with the relevant regulatory bodies such as DAFF, DoH and COJ Health Department.

- **Food support Centre**

The Joburg Market plays a supportive role to the City of Johannesburg's (CoJ) efforts that have been put in place and future plans developed to ensure a food secured City. The CoJ aspires to have a City where no one goes to bed without food. It is this aspiration that the Joburg Market (JM), through the Agribusiness Division activities, which include the foodbank and food donations, is in support of in partnership with the likes of the CoJ Department of Social Development (DSD). The DSD of the CoJ takes the lead in the CoJ Food Security Programme and the Joburg Market plays a supportive role. Key to this supportive role is through the foodbank. The JM has a Food Security Strategy with five implementable programmes. These programmes are currently under implementation and are continuously reviewed with the intention of ensuring that they remain relevant and are in response to food security challenges and existing opportunities. The department is charged with the responsibility to;

- Optimise the Food Support Centre operations with the view to increase food parcels aimed at indigent support
- Interact with other fresh produce and food institutions to optimise the donations of food towards the Food Support Centre
- Create and update data bases to refine reporting in order to identify opportunities and minimize risk to the Food Support Centre of JM
- Serve as committee member in forums of the CoJ related to food security with the view to align JM food security initiatives with that of CoJ.

6.5 Corporate Services

The following portfolio of services is rendered by the above department:

- **Human Resources Management and Development;**
 - Training and coaching of employees in the fresh produce trading environment remains a priority. The department has embarked on a targeted skills development programme on an annual basis.
 - The HR function is to development the remuneration framework for staff as well as the maintenance of HR records.

- It is further tasked with the function of Labour Relations and employee performance assessment administration.
- The Wellness Centre is responsible for the provision of primary health care support, counselling and employee assistance.
- **Legal Services;**
 - Responsible for drafting and review of Policies and By-laws
 - Providing of Legal Advice and Opinion to the Company.
 - General Litigation
 - Drafting of pleadings and legal documents (SLAs and Contracts, etc.).
 - Labour Litigation
 - General advice and assistance on disciplinary matters.
 - Representation of Council (CCMA, Courts and Private Arbitrations)
 - General matters of compliance and risk management
 - Management of external attorneys and service providers
- **General Office Administration & Auxiliary Services**
 - Management of Company's Registry services.
 - Responsible for office cleaning and minor maintenance
 - Printing and binding of all Company's print jobs
 - Provision of house-keeping and kitchen services.
 - Provision of internal messenger services.
- **Information technology**
 - Development and continuous aligning of IT Master Planning with Company's Strategy
 - Ensure availability of IT Systems at all times.
 - Responsible for the design, management and growth of the entire IT Infrastructure
 - Responsible for security of all IT Systems
 - Management of access to the IT system.
 - Administration of all other IT Applications
 - Responsible for User Support in all Systems.

6.6 Finance

The following portfolio of services is rendered by the above department:

- **Financial Management**
 - The financial management function is the key driver to achieve financial sustainability in the Joburg Market. It is responsible for the organisation aspects of its financial health. It is accountable for the resources entrusted to it, including funding, expenditure management, and cash flow management including budgets

and accounting responsibilities. It also involves the implementation of business process engineering to effect strong internal controls.

- It ensures that all funds are spent in accordance with JM policies and procedures, and operating needs met within available budgets. Its responsibility also includes financial management, and development of investment strategies and financial reporting and expenditure monitoring. It encourages units to develop an oversight process that builds on best practices. It determines all funding sources, expenditures and reserves available for future use (excluding those already committed and budgeted for current period). Furthermore; it includes all outstanding commitments to unit-wide programs, capital projects. The department also provides management with information necessary to make strategic decisions at any time during the year.

- **Fixed Asset Controls and Insurance**

- The Joburg Market Fixed Assets department within the Finance structure is tasked and responsible for the safeguarding and management of its assets and insurance of assets thereof. The management of the Company's fixed assets being Property, Plant, Equipment, Investment Property and Intangibles by means of ensuring that the requirements of the strategic objectives and operational needs are met with the allocation of a capital expenditure budget. This process entail planning and proper budgeting of all capital projects, acquisition, maintenance and disposal of scrap and redundant assets are in terms of the Finance policies and procedures.
- All acquisitions and disposals are carried out in line to the requirements of the MFMA and Supply Chain Regulations. These include among others; maintenance of the Joburg Markets fixed asset register by means of physical asset verifications, impairments and re-valuations of assets. The insurance component includes; insurance for business continuity, assets, employees, accidents and asset loss.

- **Supply Chain Management**

Supply chain management enhances compliance, improves accountability and transparency, it updates measures required to combat fraud in the supply management value chain. It supports the sound financial management processes in place to improve service delivery. SCM provides the mechanisms for implementing demand, acquisition, logistics and performance management.

- **Cashiering:**

To further ensure an effective cash management system and approach, the cashiering department supports the business by ensuring that all cash received from customers is safely deposited, all refunds are deposited to customer's accounts, all

cashiers perform a daily balancing function and all daily cash is deposited through the officially appointed service providers for banking purposes.

7. Human Resource Management Plan

In the financial year 2020/2021 Joburg Market developed a Human Resources Management & Development Strategy, which is the three year plan depicting the road map for human resources management and development. The Strategy outlines the intentions of Joburg Market in relation to how it will manage its human capital and it articulates the integration of the human resources processes. It deals with:

- Set out the framework for facilitating consistent action and behaviour in respect of employment relations management in the Company.
- Set out the principles or settled rules of action to which management and employees are subject.
- Indicates how the employment relationship should be operated in the organization.
- Ensure that all the Company's Human resources practices are in line with, and promote the Company's Mission, Vision and Values

7.1 Human Resource Development (HRD)

The key pillars that guide the human resource development strategy are as follows:

- **Organisational Development** - ensuring that JM implements a change management process preparing employees for the change in business strategy and processes.
- **Organisational Culture** - conducting a climate survey to assess issues that impact on employee morale and implementing programmes to reduce negative perceptions by employees. This should also entail defining what the desired culture should be.
- **Talent Management** - ensuring that JM nurtures existing talent and attracts appropriate talent into the organisation.
- **Retention** - of critical and core skills to ensure continuity and consistent high performance, and improved productivity.
- **Succession planning** - identifying succession candidates and mentors for critical positions to ensure a constant pool of talent, especially in positions that are hard to fill.
- **Developing appropriate organisational structure** – The organisational structure should be reviewed whenever a change in corporate strategy is adopted. This structure will be used to align recruitment to the business strategy and ensure the stability in the organisation. An annual review of the structure is envisaged to keep it realistic and relevant for the business.

- **Implementing a performance management system & culture** - to inculcate a culture of service excellence and accountability; the performance management system will be cascaded to all employees.
- **Managing employee safety & wellness** – A comprehensive wellness programme that ensures a productive workforce has been implemented and is seen as beneficial to employees. The wellness programme promotes chronic disease management and work-life balance for staff. Mechanisms have been created that provides employees with avenues to address their workplace challenges with assurance of confidentiality. This is to be maintained on an ongoing basis.
- **Sound employee relations** – A Local Manage Forum is in place that provides for an engagement strategy that incorporates an alignment of the LLF and Company programmes for ensuring sound and labour environment.
- **Remuneration & reward** - JM shall constantly review the reward strategy and remuneration practices to keep abreast of trends and promote loyalty. Efforts will be made to introduce reward schemes that encourage retention and that encompass both financial and non-financial rewards
- **HR planning** – ensuring that manpower planning is informed by business requirements and needs. The key intervention will be to undertake job evaluation and profiling that will inform the requisite skills.

7.1.1 Skills Priorities for JM

The focus of the training initiatives will address the following skills priorities:

Technical skills

- Banana Ripening
- Packaging and Labelling
- Retail Store Operations
- Food Safety Standards
- Cold Store Fundamentals
- Logistics and Consignment Movement
- Stock Auditing
- Artisan Training
- Product knowledge training

In terms of developing JM leadership and management the following initiatives will be rolled out in an ongoing manner:

- Retail Management Development Programme
- Project and Programme Management
- MFMA Competencies Programme

- Self-Mastery Programme for all managers.
- Risk Management
- Ethics and Governance
- Membership of Professional bodies for all Managers
- Local Government Administration

7.1.2 Employment Equity

The JM continuously strives to comply with the provisions of the Employment Equity Act. The Employment Equity (EE) Plan is aligned to the demographics data of Gauteng to ensure consistency with provincial employment data. The projected demographic profile of the Joburg Market is intended to be as reflected in table below;

JM Projected Demographic profile - 2016/2017

OCCUPATIONAL LEVELS	Target as @ June 2022									Status as @ 30 December 2020								
	MALE				FEMALE				TOTAL	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W		A	C	I	W	A	C	I	W	
Top Management	1	0	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0	1
Senior Manager	3	0	0	0	1	0	0	1	5	3	0	0	0	0	1	0	0	4
Mid Manager / Professional	20	2	3	8	13	0	2	4	52	10	2	2	5	8	0	0	1	28
Skilled Tech / Junior Manager	60	2	2	14	45	3	4	11	141	30	2	1	1	31	3	1	7	76
Semi- Skilled	66	2	1	5	68	5	0	8	155	71	2	0	4	74	4	0	7	162
Unskilled	19	0	0	2	21	0	0	0	42	62	1	0	0	53	0	0	0	116
TOTAL	169	6	6	29	148	8	6	24	396	176	7	3	10	166	9	1	15	387

The current status of EE includes the insourced cleaners who are on the payroll of the CoJ but actively employed at Joburg Market.

The vacancy rate at JM is 5.5%. The company was able to fill its most of its critical senior positions during 2020.

7.1.3 Objectives and Actions

In the HRM&D Strategy key strategic goals were identified and linked programmes that aimed at realising these strategic goals. The table below captures the strategic goals and programmes linked to each one of them.

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
1	Human Resources Strategic Alignment.	1.1	Organisational Structure aligned to the Company Business Plan.	Develop Org Structure aligned to company strategic direction	Org structure in place. Budget for changes aligned to recruitment	If strategic direction changes, align org structure	Org structure in place. Budget for changes aligned to recruitment	If strategic direction changes, align org structure	Org structure in place. Budget for changes aligned to recruitment
		1.2	Proactively engage customers in the analysis of their workforce management needs and issues and identify strategies to address concerns	Conduct employee surveys and implement interventions suggested by results	Management needs and issues addressed	Ongoing interventions	Management needs and issues addressed	Ongoing interventions	Management needs and issues addressed
		1.3	Implement a workforce planning processes, techniques and tools to proactively identify the human resources required to meet Business Plan objectives	Workshop sessions with Business units to identify intervention points. Plan and implement	Workforce plan in place and partially implemented	Ongoing implementation of workforce plan	Workforce plan in place and partially/fully implemented	Ongoing implementation of workforce plan and fully implemented	Workforce plan in place
		1.4	Develop JM HRD & M Strategy aligned to the Group HR Strategy for CoJ	Analyse changes to Group HR strategy & align where necessary	JM strategy aligned	Analyse changes to Group HR strategy & align where necessary	JM strategy aligned	Analyse changes to Group HR strategy & align where necessary	JM strategy aligned

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
2	Effective Human Resource Planning	2.1	Effectively identify, attract, recruit and retain the best talent to help the Company meet its Strategic Objectives	Review Recruitment Processes	Targeted recruitment	Ongoing	Ongoing	Ongoing	Ongoing
		2.2	Identify scarce and critical skills	Thorough investigation throughout business units	Scarce & critical skills list	Identify potential candidates to be mentored. Investigate scarce skill protection	Mentoring program with training under scarce skills	Monitor program	Incumbents for scarce skill movements in place
		2.3	Conduct job evaluation and develop standardized job profiles for all positions to be used as a basis for recruitment and career pathing.	Standardised profiles already in place. Analyse CoJ skills gap exercise Identify training interventions for career pathing	Recruitment standardised Career pathing in place	Measure interventions & refine	Career pathing refined	Measure interventions & refine	Career pathing refined

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
3	Organizational Development	3.1	Conduct employee climate survey to understand current challenges around organizational culture, use the results to design future/ideal organizational culture.	Conduct Climate Survey & analyse	Climate Survey results available Potential problem areas identified	Design future / ideal culture Priority problems addressed	Ideal culture defined and ready for interventions	Change management program	Cultural change
		3.2	Conduct formal review of Company's orientation process and develop implementation plan to streamline and improve employee orientation	Review & revamp orientation process	Employee orientation streamlined				
		3.3	Conduct exit surveys/interviews to identify reasons for attrition and use the information to enhance or improve employee experience of the Company.	Conduct exit interviews as and when required	Shortfalls in employee experience defined	Conduct exit interviews as and when required	Shortfalls in employee experience defined	Conduct exit interviews as and when required	Shortfalls in employee experience defined

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
4	Build and Sustain a Capable, Diverse, Well-Trained, Workforce and Enhance Retention Through Learning and Professional Development Opportunities	4.1	Conduct an annual training needs assessment to ensure training is designed to improve organizational and individual performance	Individual training plans annually & prioritise	Training intervention priorities matched to budget	Individual training plans annually & prioritise	Training intervention priorities matched to budget	Individual training plans annually & prioritise	Training intervention priorities matched to budget
		4.2	Implement a leadership development programme for all supervisors, managers and executives to invest in the continuous development of leadership	Launch interventions by skills gap analysis	Development plan – multi year	Continue and refine with targeted development	Ongoing	Continue and refine with targeted development	Ongoing

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
5	Inculcate Results-Oriented High Performance Culture	A5.1	Roll-out of employee Performance Management to enforce responsibility and accountability by line managers and employees to enhance organizational, team and individual performance.	Review and approve performance management policies & procedures Cascade throughout organisation	Policies & procedures in place Performance management in place at all levels	Ongoing	Ongoing	Ongoing	Ongoing

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
6	Recognise Reward Performance	&6.1	Provide a progressive remuneration framework for Joburg Market which is affordable, competitive, attractive and that provides for advancement through salary ranges	Investigate possible reward programs and develop policy	Reward programme in place and implemented	Ongoing	Ongoing	Ongoing	Ongoing

Section	Objective	No.	Actions	Year One 2021/22		Year Two 2022/23		Year Three 2023/24	
				Output	Outcome	Output	Outcome	Output	Outcome
7	Sound Employee Relations & Human Resources Governance	7.1	Conduct a review of HR Policies, SOPs and Processes as and when required, ensuring alignment to legislative requirements and best practice	Review Policies	Policies in place, approved and aligned with CoJ policies and objectives	Ongoing	Ongoing	Ongoing	Ongoing
		7.2	Ensure sound and viable labour relations through the local labour forum.	Labour Forum in place Maintain relationship	Labour forum in place and effective	Ongoing	Ongoing	Ongoing	Ongoing
		7.3	Promote healthy, resilient and productivity among employees	Wellness Centre in place Maintain service offering to employees	Wellness Centre seen as benefit to employees	Ongoing	Ongoing	Ongoing	Ongoing

The Implementation Plan for the HRM&D Strategy contains interventions that have been identified and prioritized in the three year period. It also reflects the key deliverables for the each year of the Plan and these are subject to the annual budget process. Progress against the plan and the performance indicators and targets are monitored. The impact and effectiveness of each of the interventions is measured and corrective action taken on quarterly and annual basis.

ANNEXURE 1: JM 2021/22 SCORECARD

NT CIRCULAR 88 imperatives are captured under KPI 2.1 below:

COJ GDS /IDP Programme	National outcome 6: An efficient, competitive and responsive economic infrastructure network.																		
	GDS outcome 4: A high performing, smart metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng city region																		
	Priority 1: Financial sustainability																		
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster	
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4							
JM Strategic Objective: Operate a sustainable resilient premier marketing and trading facility																			
Pillar 4 – Economic impact and mitigation measures	(1.1) % Targeted market share held by JM in relation to other FPMs	45.2% Targeted market share held by JM in relation to other FPMs	45.4% Targeted market share held by JM in relation to other FPMs	45.6% 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	45.9% Targeted market share held by JM in relation to other FPMs	0	0,075 M	41.5% Targeted market share held by JM in relation to other FPMs	42.0% Targeted market share held by JM in relation to other FPMs	43.8% Targeted market share held by JM in relation to other FPMs	45,4% Targeted market share held by JM in relation to other FPMs	45.4% 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 NDAFF	Strategy	JM: IT	Economic Development	
		Budgeted turnover (cum)							0	R8.66 Bn	R2.150 Bn	R4.28 Bn	R6.32 Bn	R8.66 Bn					R8.66 Bn
		FPMs: National Fresh Produce Markets in South Africa Unit of Measure: % (cum) SAUFM: South African Union of Food Markets YTD: Year to Date																	

COJ GDS /IDP Programme	National outcome 6: An efficient, competitive and responsive economic infrastructure network.																		
	GDS outcome 4: A high performing, smart metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng city region																		
	Priority 1: Financial sustainability																		
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster	
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4							
JM Strategic Objective: Ensure financial sustainability and growth of the entity																			
Pillar 4 – Economic impact and mitigation measures	(1.2) RBn turnover achieved	R8.1Bn Turnover achieved	R8.66Bn Turnover achieved	R8.92Bn Turnover achieved	R9.19Bn Turnover achieved	R9.47Bn Turnover achieved	R8.75Bn Turnover achieved	0	R8.66 Bn	R2.150 Bn Turnover achieved	R4.28 Bn Turnover achieved	R6.32 Bn Turnover achieved	R8.66 Bn Turnover achieved	R8.66 Bn Turnover achieved	JM financial accounts	Strategy	JM: IT	Economic Development	
		Budgeted turnover (cum)							0	R8.66 m	R2.150 Bn	R4.28 Bn	R6.32 Bn	R8.66 Bn					R8.66 Bn
		FPMs: National Fresh Produce Markets in South Africa Unit of Measure: RBn (cum) YTD: Year to Date																	

COJ GDS /IDP Programme	National outcome 6: An efficient, competitive and responsive economic infrastructure network.																		
	GDS outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy																		
	Priority 4: Sustainable Service Delivery																		
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster	
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4							
JM Strategic Objective: Upgrade and improved maintenance of facilities and infrastructure																			
Pillar 6 – Continuation of Municipal Services	(1.3) % of Repairs and maintenance budget spent	101.9% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	0	R50.8 M	10% of Repairs and maintenance budget spent	20% of Repairs and maintenance budget spent	55% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	85% of Repairs and maintenance budget spent	JM financial accounts	Strategy	JM: IT	Economic Development	
		Budgeted R&M spent (cum)							0	R50.8 M	RM Tbc	RM Tbc	RM TBC	RM Tbc					RM TBC
		R&M: Repairs and Maintenance Unit of Measure: % (cum) YTD: Year to Date																	

COJ GDS /IDP Programme	National outcome 6: An efficient, competitive and responsive economic infrastructure network.																		
	GDS outcome 2: Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy																		
	Priority 4: Sustainable Service Delivery																		
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster	
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4							
JM Strategic Objective: Upgrade and improved maintenance of facilities and infrastructure and Upgrade ammonia plant, cold storage and banana ripening facilities																			
Pillar 6 – Continuation of Municipal Services	(1.4) % of capital budget spent	43.8% of capital budget spent	85% of capital budget spent	85% of capital budget spent	85% of capital budget spent	85% of capital budget spent	85% of capital budget spent	0	R50.8 M	10% of capital budget spent	20% of capital budget spent	35% of capital budget spent	85% of capital budget spent	85% of capital budget spent	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
		Budgeted CAPEX spent (cum)							R195.5 M	0	RM Tbc	RM Tbc	RM TBC	RM Tbc					RM TBC
		Unit of Measure: % (cum) YTD: Year to Date																	

COJ GDS /IDP Programme	National outcome 6: An efficient, competitive and responsive economic infrastructure network.																		
	GDS outcome 3: An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens																		
	Priority 7: Job opportunity and creation																		
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster	
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4							
JM Strategic Objective: Become a high performance organisation																			
Pillar 4 – Economic Impact and mitigation measures	(2.1) Number of work opportunities (Jobs) created through EPWP, CWP and other related infrastructure programmes	219 jobs created	55 jobs created	60 jobs created	65 jobs created	75 jobs created	85 jobs created	0	0	0 jobs created	10 jobs created	15 jobs created	30 jobs created	55 jobs created	JM financial accounts	PMO	JM: Core Operations, Finance, Compliance, and IT	Economic Development	
		Budgeted spent on Job creation							RM TBC	0	RM Tbc	RM Tbc	RM TBC	RM Tbc					RM TBC
		Unit of Measure: % (cum)																	
		YTD: Year to Date																	
NT Circular 88 Imperative no: CoJ 123 (SDBIP)																			

COJ GDS /IDP Programme	National outcome 9: A responsive, accountable, effective and efficient local government system																		
	GDS outcome 4: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region																		
	Priority 2: Good Governance																		
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster	
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4							
JM Strategic Objective: Ensure financial sustainability and growth of the entity																			
Pillar 3 – Enforcement and Compliance Measures	(3.1) % resolution of Auditor General findings for 2019/20	76 % resolution of Auditor General findings for 2018/19	85 to 95% resolution of Auditor General findings due as at time of reporting	85 to 95% resolution of Auditor General findings due as at time of reporting	85 to 95% resolution of Auditor General findings due as at time of reporting	85 to 95% resolution of Auditor General findings due as at time of reporting	85 to 95% resolution of Auditor General findings due as at time of reporting	0	0	Not due	Not due	60 to 84% resolution of Auditor General findings due as at time of reporting	85 to 95% resolutio n of Auditor General findings due as at time of reporting	55 jobs created	AGSA audit letter	Internal Audit	JM: M&E & Strategy	Economic Development	
		Budgeted spent on external auditing							RM TBC	0	RM Tbc	RM Tbc	RM TBC	RM Tbc					RM TBC
		Unit of Measure: % YTD: Year to Date																	

COJ GDS /IDP Programme	National outcome 9: A responsive, accountable, effective and efficient local government system																	
	GDS outcome 4: A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region																	
	Priority 2: Good Governance																	
	KPI	Baseline	Target 2021/22	Target 2022/23	Target 2023/24	Target 2024/25	Target 2025/26	2021/22 Budget per programme		Quarterly Targets				YTD	Means of verificat ion	Leader	Support	Cluster
CAPEX R/M								OPEX R/M	Q1	Q2	Q3	Q4						
JM Strategic Objective: Ensure financial sustainability and growth of the entity																		
Pillar 3 – Enforcement and Compliance Measures	(3.2) % resolution of Internal Audit findings due as at time of reporting	89% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	0	0	85 to 95% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolutio n of Internal Audit findings due as at time of reporting	85 to 95% resolution of Internal Audit findings due as at time of reporting	85 to 95% resolutio n of Internal Audit findings due as at time of reporting		JM audit reports	Internal Audit	JM: M&E & Strategy	Economic Development
		Budgeted spent on internal auditing							RM TBC	0	RM Tbc	RM Tbc	RM TBC	RM Tbc	RM TBC			
		Unit of Measure: % YTD: Year to Date																

KPI Definitions

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	<p>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.</p> <p>* SAUFM– South African Union of Food Markets for member markets.</p> <p>*NDAFF – National Department of Agriculture, Forestry and Fisheries for Cape Town Market.</p>	This information comes from Monthly National Statistical Reports generated by the South African Union of Food Markets	The indicator is calculated by dividing the volumes of produce sold at JM by the total produce sold in 18 national fresh produce markets, multiplied by 100 to get the percentage market share	<p>JM is wholly dependent on statistical information received from SAUFM.</p> <p><u>MOV</u>: For the 17 member markets use monthly markets return to populate JM control sheet</p> <p>For Cape Town Market use Monthly official NDAFF report to populate JM control sheet.</p> <p>The JM control sheet produces the exact calculation of JM market share.</p>	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. Manger Strategic planning
1.2	RBn turnover achieved	The KPI measures the value of produce sold on the JM through its SPS system.	The KPI is intended to indicate progressive growth in turnover	The information is derived from SPS	<p>Monthly and Quarterly Sales figures are aggregated to produce a cumulative figure</p> <p><u>MOV</u>: Generate the monthly report for turnover on JM from the SPS central trading system</p>	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Operations & CFO
1.3	% of Repairs and maintenance budget spent	This KPI measures the Repairs & Maintenance budget expended in monetary (R/M) terms in relation to the entity's formal OPEX budget. The targets and results in the company scorecard are exhibited in cumulative	The KPI is intended to track and monitor R & M expenditure in relation to JM's OPEX Budget	The information is derived from the monthly and quarterly financial records of the company	Monthly and Quarterly Actual invoices of aggregated R & M amount are derived from Financial Records of the	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	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
		indicators.			company <u>MOV</u> : Generate the monthly OPEX report to find the R&M expenses of JM from the JDE financial system						
1.4	% of capital budget spent	This KPI measures the actual capital expenditure incurred in relation to the allocated capital expenditure. A cumulative indicator.	The KPI is intended to track and monitor Capital Expenditure Invested in JM infrastructure development	The information is derived from the monthly and quarterly financial records of the company	Monthly and Quarterly Actual invoices of aggregated CAPEX amounts are derived from Financial Records of the company <u>MOV</u> : Generate the monthly CAPEX report to find the expenses of JM from the JDE financial system	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Operations
2.1	Number of work opportunities (Jobs) created through EPWP, CWP and other related infrastructure programmes	This KPI measures jobs created in the following areas: Jobs created by contractors appointed to render services on the JM site- <ul style="list-style-type: none">I.D Copies of contracted individualsPayroll list of contractor showing contracted employees receiving job opportunities through Joburg MarketJobs created within the JM administration as follows: EPWP jobs, Internships, other work creation programmes and learnerships.	The KPI is intended to track and monitor the number of jobs created by JM. (NT CIRCULAR 88 IMPERATIVE)	The information is derived from the monthly and quarterly reports from Human Resources, Core-Operations and Strategic Projects	Monthly and Quarterly Actual invoices of aggregated number of jobs created are derived from monthly and quarterly reports from Human Resources, Core-Operations and Strategic Projects <u>MOV</u> : Utilise the JM monthly payroll report, and HR report to collate the total jobs created at JM	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Operations Human Resources Senior Manager Executive: Strategic Projects

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
3.1	% resolution of Auditor General findings for 2019/20	Resolution of findings will imply "findings due" at end pertinent quarter as the result of an evaluation of the collected audit evidence against audit criteria.	The KPI is intended to track and monitor the percentage resolution of AGSA Audit Findings due.	The information is derived from the monthly and quarterly reports from the Internal Audit Unit	This is a percentage ratio between the actual number of AGSA Findings due resolved against the total number of audit findings identified by the AGSA. <u>MOV:</u> Utilise the JM internal audit progress reporting schedule to calculate the % resolution of external audit findings of the AGSA.	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Internal Audit
3.2	% resolution of Internal Audit findings due as at time of reporting	Resolution of findings will imply "findings due" at end of pertinent quarter as the result of an evaluation of the collected audit evidence against audit criteria.	The KPI is intended to track and monitor the percentage resolution of Internal Audit Findings due.	The information is derived from the monthly and quarterly reports from the Internal Audit Unit	This is a percentage ratio between the actual number of Internal Audit Findings due resolved against the total number of audit findings identified by Internal Audit Unit. <u>MOV:</u> Utilise the JM internal audit progress reporting to calculate the % resolution of internal audit findings.	No limitation identified	The reported indicator is cumulative	The indicator is reported quarterly	The indicator continues without change from previous year	Performance that is higher is desirable	Executive: Internal Audit

ANNEXURE 2: CROSS CUTTING ACTIVITIES

JM is primarily supporting the agriculture and food security priorities stemming from the nature of its business. However, partnerships with other CoJ functions bring about opportunities to add value to the overall programme and in this regard the cross cutting elements are listed in the table below.

Role of DED as cluster and cross cutting activities of JM

Agriculture and Food security		CoJ: Departments: Health and Social Development		CoJ Entities		
Dept/Entity	Agriculture and Food Security support on cluster level	Social Development Department	Human Development Department	Pikitup	City Parks	EISD
DED Role	<ul style="list-style-type: none"> Expand commercial urban agriculture Disposal of land for agricultural purposes Integrate agricultural initiatives into the agricultural value chain and into the CoJ Food Security programme 	○	○	○	○	
Programmes/Projects	<ul style="list-style-type: none"> SMME and Entrepreneurship Development, Cooperatives Support, Township Economic Development 	○	○	○	○	○

Agriculture and Food security		CoJ: Departments: Health and Social Development		CoJ Entities		
Dept/Entity	Agriculture and Food Security support on cluster level	Social Development Department	Human Development Department	Pikitup	City Parks	EISD
JM	<ul style="list-style-type: none"> Sustain agricultural stakeholder relationships and link them to emerging producers/agents Train urban farmers on how to use JM as trading point Participate in Local Agri-forums Develop pack houses for BEE entrepreneurs at the JM site 	<ul style="list-style-type: none"> Indigent food parcel preparation and distribution Donation of seeds to produce food in food gardens 	<ul style="list-style-type: none"> Sponsor lifestyle programmes with fruit and vegetables 			○
JPC	<ul style="list-style-type: none"> SMME and Co and Informal Economy Support Dispose land for urban agriculture and Agro processing through EISD Implement the Township Economic Development Plans focusing on agro processing hubs, food empowerment zones. 	○	○	○	○	

ANNEXURE 3: EXECUTIVE MANAGEMENT TEAM

The Executive Committee of the Joburg Market consists of the following members:

Executive Members

Ms. Leanne Williams (Chief Executive Officer)

Qualifications:

- Master of Commerce Banking and Financial Risk Management
- Honours Bachelor of Commerce Industrial and Organisational Psychology
- Bachelor of Commerce Industrial and Organisational Psychology

(Appointed, 18 May 2020)

Mr. Bongani Radebe (Executive Manager: Core Operation)

Qualifications:

- Masters in Management
- Postgraduate Diploma In Management
- B. Uiris (Law Degree)
- Diploma in Criminal Justice and Forensic Investigations

(Appointed, 01 October 2020)

Mr. Billy Vorster (Executive Manager Corporate Services – Acting)

Qualifications:

- MBA

(Appointed: 13 October 2020)

Mr. Boy Ngubo (Acting Chief Financial Officer)

Qualifications:

- Chartered Accountant (SA)
- Master of Business Administration (MBA)
- Post Graduate Diploma in Management and Leadership
- Post Graduate Diploma in Accounting Science (PGDA)
- Bachelor in Accounting Science

(Appointed, 18 June 2020)

ANNEXURE 4: SERVICE DELIVERY STANDARDS AS PER AGREEMENT BETWEEN THE COJ & COMPANY

Core Service	Service Level Standard Target	Actual during Q1 of 2020/21	Evidence	Variance	Variance Explanation	Mitigations / Comments
1.Opening a new buyer account	20 minutes	2.45 Minutes	Yes	17.55 Minutes Favour-able	Target achieved	The Service Level Target was successfully met.
2. Electronic Sales Processing System disruptions	Mirror/back-up 12w system to go live: within 55 minutes	100% uptime recorded	Database Report	0%	Target achieved	There were no SPS disruptions for the quarter.
3. Time to resolve cashiering queries when clients are depositing money.	Resolution of depositing queries within 30 minutes.	1.52 Minutes	Yes	28.48 minutes Favour-able	Target achieved	The Service Level Target was successfully met.
4.Repairs of infrastructure facilities	Commence ment with repairs process on reported infrastructure breakdown within 24 hours	100% Completed within 24 hours	Work Order Sheet	0%	Target achieved	Work orders were attended to as soon as they are reported for repairs.
5.Repairs to ripening facilities	90% Availability	54.38% Availability	Daily Monitoring summary report	35.62% Un-favourable	Target not achieved	Electromechanical failures which resulted in higher room temperature .Services provider appointed to address challenges
6.Cold Room facilities	Average temperature variance not greater than 2°c of agreed customer requirements	1.33°c	Average Set Daily Temperature Reading 1.92°c	0.59°c Favourable	Target achieved	There is constant monitoring of temperature variation.

ANNEXURE 4: STRATEGIC REGISTER

JOBURG MARKET STRATEGIC RISK REGISTER

2020/21

Strategic Risk Register: 30th September 2020																			
Period FY: 2020/21																			
Reference No.	Strategic Objectives	Risk Name	Risk Category	Causes/ Background to risks	Impact	Inherent Impact Rating	Likelihood	Inherent Likelihood Rating	Inherent Risk Rating	Inherent Risk Exposure	Current controls	Control Effectiveness	Residual Risk Exposure	Interventions/ Actions to improve management of the risk	Risk Owner	Q1 Updates	Q2 Updates	Action Owner	Time scale
1	Operating sustainable /resilient premier marketing and trading facility	Business failure	Regulatory requirement risk	1. Inadequate trading space	Critical	5	Likely	4	20	Very High	1. Floor Space Committee meets to discuss space optimization	Ineffective	High	1. Optimise the precinct plan as recommended by JDA (to have procured the virtual view of the plan)	CEO	A Memo to be submitted to EXCO on Space Optimisation. IT & CFO engaging on the matter.		1. Exec: Core Operations	Sep-20
				2. Ageing infrastructure							1. JPC appointed to conduct repair and maintenance works 2. Maintenance plan in place	Ineffective		3. Appoint a panel of maintenance Service Providers	CEO	SCM Panels for all the disciplines were adjudicated, appointment within this quarter		1. Exec Core Operations 2. CFO	Sep-20
				3. Noncompliance to Legislative requirements/standards							1. Draft Compliance universe in place	Ineffective		3. Finalise the Compliance Universe and get it approved	CEO	The Compliance Universe has been completed and send to EXCO for comments, the process of approval will be done in the beginning of the 2nd Quarter after the Senior Manager Compliance reviews and revises the Universe		Snr Manager Compliance	Aug-20

				4. Outdated business continuity plan							1. IT has a disaster recovery plan 2. Operations have a business recovery strategy 3. Specification for business continuity has been finalised	Ineffective		4.1. Business Impact analysis in key areas 4.2. Develop the business continuity plan	CEO	JM has consulted with Group Risk Assurance Services and we are in the process of development of the project plan for implementation and the time frames will be adjusted accordingly		1. CEO 2. Snr Manager Compliance	Oct-20
				5. Competition							1. Smart market strategy, infrastructure revitalisation	Partially Effective		5. Implement Capex and Opex recapitalisation projects (JDA precinct projects)	CEO	CEO/CFO chair weekly capex meetings with other Stakeholders; there is weekly progress report		1. Strategy Executive 2. Exec Core Operations	Jun-21
2	Become an agent for socio-economic transformation	Failure of transformation programs	Regulatory requirement risk	1. Insufficient budget for transformation projects+H20	Major	4		4	16	High	1. None	None	High	1. JM will base the redevelopment of a transformation strategy the Smart Market of the Future concept - Planning is in progress	CEO	Concepts of Smart Market is currently serving on planning level with EXCO		1. Senior manager Strategy 2. CFO	Q4
				2. Lack of Stakeholder support (internal & external)							2. Stakeholder engagement forums	Partially Effective		2. Continuous Stakeholder engagement at different forums	CEO	1. JM has drafted a concept Integrated marketing and communications strategy which will serve with the committees of JM during October 2020 for approval 2. Monthly meetings with IMASA to discuss challenges and opportunities.		EXCO	Continuous (quarterly reporting)
				3. Outdated transformation strategy							3. None	None		3. Review transformation strategy to be in line with business strategy	CEO	JM is currently evaluating the Transformation policy on BBEE as well as the broader strategy relating to the Fresh Produce market environment.		Snr. Manager Strategy	Nov-20

3	Ensuring the engagement, skilling and motivation of staff	Diminishing Staff morale	Stakeholder Management risk	1. Disengaged staff (People Management)	Critical	5	Almost Certain	5	25	Very High	1. Continuously fulfil the Company's statutory obligations 2. Local Management Forum (LMF) 3. Grievance procedure 4. Service Provider appointed for EAP Services (ICAS)	Partially Effective	High	1. Conduct an anonymous employee satisfaction survey	CEO	Develop a memo and terms of reference to appoint a service to conduct the climate survey.	HR	Dec-20
				2. Inadequate skills transfer - propose rewording to read as: 'Poor talent management, success planning strategy							1. None	None		2. Engage AgriSeta as a strategic partner for agriculture specific skills programme	CEO	Identify critical and scarce skills for JM.	HR	Jun-21
				3. Resistance to change							1. None	Nil		3. To develop and implement change management programmes	CEO	Conduct Change Management Awareness programmes to assist employees in dealing with change management.	HR	30 September 2020
				4. Inability to fill critical vacancies due to budget constraints							4. Motivation done for budget to fund critical vacancies	Ineffective		4. Review the JM organisational structure	CEO	Final approval of the JM organisational structure.	HR	Dec-20
4	Becoming a High Performance Organisation	Failure to implement the Smart Market Strategy	Technology Risk	1. Lack of performance management at lower levels and poor employee performance culture	Major	4	Possible	3	12	High	1. Performance Management policy 2. Non-cash incentive approved	Ineffective	Medium	1. Cascade performance management to all the levels	CEO	Develop and implement the performance management roll-out plan.	HR	Dec-20
				2. JM Strategy not adequately cascaded down to the rest of the company							1. None	None		2. Departmental strategy workshops	CEO		EXCO	Q4
				3. Failure to fill vacancies							1. None	Nil		3. None	CEO	To be removed repetition of point 4 'Inability to fill critical vacancies. - refer relevant action point.	EXCO	TBD
				4. Mismatch between the available skill and the business requirements							1. Skills audit have been conducted (level 1-4)	Partially Effective		4.1 Conduct JM skills audit for level 6-8 4.2 To identify key skills for the new business and re-skill the current workforce	CEO	Combine with the action plan for identifying critical and scarce skills for JM.	HR	4.1-4.3 December 2020

				5. Business processes not supporting organisational strategy						1. None	None		5. To review the business processes to align to the smart market strategy (Update SOP and policies)	CEO	Exco in discussion to update the smart market strategy		EXCO	5. September 2020
5	Ensure financial sustainability	Financial instability (going concern)	Technology Risk	1. Increased competition as a result of emerging fresh produce markets	Critical	5	Almost Certain	5	25	Very High	1. JM is currently in the process of implementing the recapitalisation project to meet industry standards/requirements	Partially Effective	High	1. Recapitalisation programme implementation	CEO	1. Optimise the precinct plan as recommended by JDA	Exec: Core Operations	TBD
				2. Farmers and buyers opting to trade at alternate markets to avoid paying commissions							2. None	Ineffective		2. Determine a strategy to entice the farmers (Improvement of services & facilities)	CEO	2. None	EXCO	TBD
				3. Failure to spend the allocated maintenance budget							3. JM appointed JPC to assist with Repair and Maintenance work while 5 discipline (mechanical, electrical, civil, building and plumbing) preventative maintenance contractors are in the Supply Chain Management process of being appointed.	Ineffective		1. Appoint panel of service providers for repairs and maintenance	CEO	Panel of service providers to conduct repair and maintenance work to be appointed in this quarter	Exec: Core Operations	30-Sep-20
6	Operating sustainable/resilient premier marketing and trading facility	Covid 19 Pandemic		1. Gauteng Region is currently reaching a peak in Covid 19 infection rates	Critical	5	Almost Certain	5	25	Very High	1. JM educates the staff and public by doing awareness programmes and providing Covid 19 PPE for staff as prescribed	Partially Effective	High	1. Provide PPE, support and all necessary information to staff on continuous basis.	CEO	Panel of service providers to supply all Covid 19 PPE to staff on continuous basis.	Senior Manager Compliance & Enforcement	Quarterly
				2. JM has introduced control measures and strictly follows protocols							2. JM follows Covid 19 protocols by doing a Company Covid 19 work plan, providing all the necessary support for staff and public	Partially Effective		2. JM will follow CoJ protocols and provide a safe environment to everyone to ensure reduction of infections	CEO	JM continuously follow instructions from the shareholder as requested and observe protocols as prescribed.	Senior Manager Compliance & Enforcement	Quarterly

				3. JM receives a substantial number of clients/visitors daily which requires high levels of alertness						3. JM has many people that visit JM daily and ensures that the public and buyers adhere to the Covid 19 protocols of social distancing; wearing masks and sanitised at the entrance. JM also provides screening and testing	Partially Effective		3. Continue to provide a clean and safe environment to the public	CEO	JM will continue monitoring cleanliness at the premises as prescribed.		Senior Manager Compliance & Enforcement	Quarterly
				4. Provide financial support						4. JM providing Covid budget to purchase PPE for Covid 19	Ineffective		4. Source more budget to manage Covid 19	CEO	JM has been allocated the budget for Covid 19 as priority item.		Senior Manager Compliance & Enforcement	Quarterly
7	Maintaining an effective and inclusive stakeholder management process	Loss of stakeholder confidence	External Environment	1. Unavailability of Stakeholder and communication strategy and plan	Major	4	Likely	4	16	1. Draft Marketing & Communication strategy	Partially Effective		1. Finalise and implement the marketing and communication strategy,	CEO	JM has drafted a concept Integrated marketing and communication strategy which will serve with the committees of JM during October 2020 for approval		Snr. Manager Strategy	TBD
				2. Lack of dedicated resource for Stakeholder engagement						2. Senior Marketing Manager responsible for stakeholder engagement	Partially Effective		2. To appoint Stakeholder Management resource	CEO	JM is currently evaluating the possibility of the secondment or transfer of a resource to the marketing department		Snr. Manager Strategy	TBD
				3. Inadequate Stakeholder engagement						3. Stakeholder engagement forum	Partially Effective		3. Redevelop stakeholder engagement strategy	CEO	JM has drafted a concept Integrated marketing and communication strategy which will serve with the committees of JM during October 2020 for approval		CEO	TBD



ANNEXURE 6: STAKEHOLDER ENGAGEMENT STRATEGY AND PLAN

1. An integrated approach to be followed with JM stakeholders

In engaging JM stakeholders JM has initiated the concept of an integrated approach. JM will utilise various components of its 3 – chamber approach to maximise the impact of its efforts in this regard. The 3 - chamber approach is illustrated in Fig. 5 below.

In addition to the individual groups being represented in an allocated chamber, JM has also provided for a joint chamber which will seek to promote JM as a “one stop shopping facility”.

The involvement of CoJ: DED is crucial for the success of this strategy. Job creation, walk-in-service centres and a newly conceptualised approach to integrated communications with the informal traders are some of the characteristics of this new forum. Joburg Market (JM) has noted the potential establishment of a Trade and Investment Council by DED. The DED: Trade Council will assist mainly in identifying opportunities and support of programmes to create business opportunities for SMME's

Brief notes are included in this response and in view of the various elements that need to be considered. Clarification on the roles of the various stakeholders in the fresh produce industry and how collaboration could be approached is a vital point of departure.

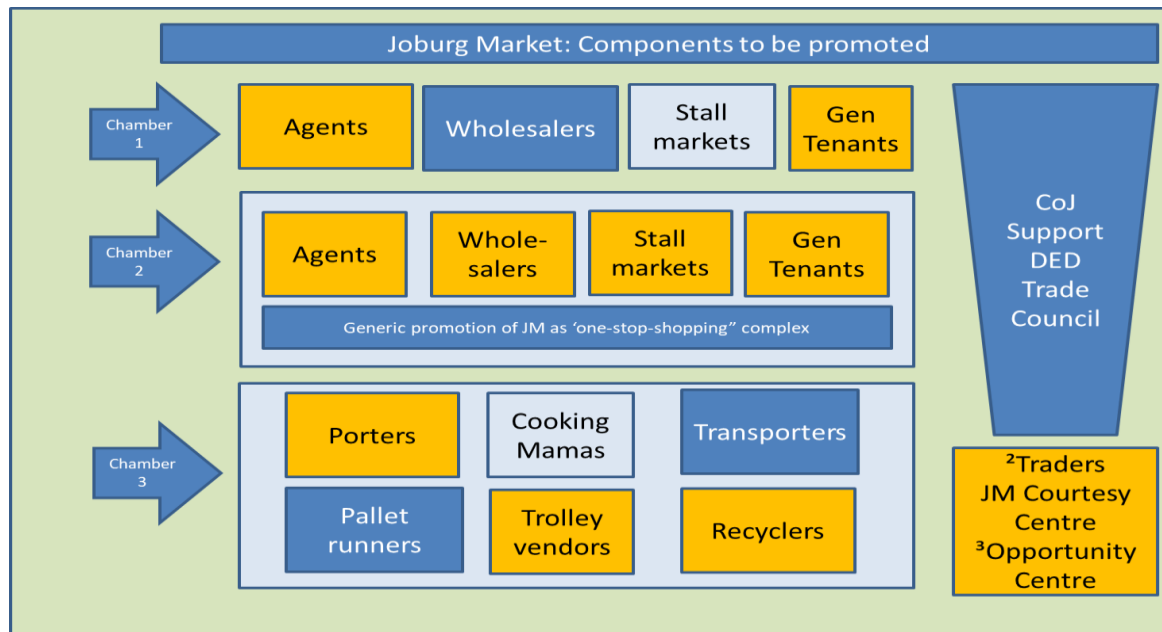
2. Areas offering potential

At JM numerous participants are present in the export market:

- Wholesalers: These private entities are established at JM and export across the SADC region. (Including Mauritius).
- Market agents: Some of the Market agents are operating export markets. These operators often focus on seasonal export opportunities in the export market. They are normally members of a body known as the Fresh Produce Exporters Forum.
- JM membership of 2 international bodies however may hold the best opportunities for the development of SMME's. The mentioned bodies are as follows:
 - World Union of Wholesale Markets (WUWM). This body in main is consisting of most markets in the northern hemisphere and especially Chinese Market membership has grown over the past 8 years. Member markets in these countries will play an instrumental role in linking SMME's with business on their markets. The networks to be created will require a substantial effort from the

intended Trade Council, but once these relationships are established SMME's will be able to conduct regular and continuous exports.

- Produce Marketing Association (PMA). The head office of this association is located in Newark in the USA. Numerous memberships are also held outside the USA. The PMA has established a branch office in South Africa and they offer a number of support services.



Integrated marketing and communications efforts

The JM stakeholder matrix is depicted below and includes all those secondary role-players whom are vital for the success of JM as 'one-stop-hub'. Provision is thus made for their inclusion in the JM: Economic Development Committee.

Relevant to international stakeholders JM will continue to utilise such associations towards achieving the following:

- SMART market developments in line with international best practise;
- To consider peer market changes and tendencies in the fresh produce industry;
- To promote participation in the PMA and WUWM by members from the African continent;
- To utilise research conducted by PMA and WUWM for the improvement of JM and to skill its staff in fresh produce market management principles.



The stakeholders of JM

No	Group	Functional relation	Principal involvement
A. Governance			
1	CoJ	Governance Shareholder	Sole owners of the JM
2	Board of Directors	Governance of JM	Governs JM in terms of SDA
3	DED	Lead Department	Administrative link to CoJ
B. Company			
1	Staff	Employees of JM	Managers and employees
	Unions	Trade Unions	SAMWU / IMATU
	EPWP	Job creation	Extended Public Works Programme
C. Core Business			
	Farmers	Production of produce	Supply JM from across RSA
	Transporters	Logistics – Farm to Market	Private contractors
	Market agents	Conducts actual selling of produce at JM	Private institutions
	Commercial Buyers	Buying of produce at JM	Distribute and process fresh produce
	Informal sector buyer	Informal traders	Intensive distribution in various areas
D. International associates			
	World Union of Wholesale Markets (Head Office: Netherlands)	Communication and market concept development	International platform aimed at the development and sustainability of fresh produce markets
	Produce Marketing Association (USA)	Promotion of Produce trading entities	Promotion of fresh produce consumption and related research to enhance marketing of fresh produce
E. Markets at JM			

No	Group	Functional relation	Principal involvement
	Mandela Market	Traders at JM site established through empowerment programmes	Stall markets on JM site
	Unity Market		
F. Apron services at JM site			
		<ul style="list-style-type: none">– Pallet runners– Porters– “Bakkie” operators– Cooking “mamma’s”– Recyclers	Rendering of support services to traders on market for own account
G. Tenants			
		<ul style="list-style-type: none">– Food distributors– Processors– Meat/fish traders– Soft drinks– General hospitality producers	Rendering services enabling clientele to utilise JM site as “one stop” shopping centre
H. Financial services			
		Banks	Servicing buyers on JM to conduct transactions
I. Suppliers			
		Multiple services rendered at the JM site	<ul style="list-style-type: none">– Cleansing– Security– Waste disposal– Amenity gardens and land maintenance

JM stakeholder matrix

Promotional approach – 3-year Rolling action

Year 1 – Initiate the smart market drive

Features to be promoted			To Producers		To Buyers			CoJ Events	Budget
No	Highlight JM features	Smart market element	Commercial	Small emerging	Large buyers	Med. Buyers	Small Buyers	Community	OPEX
1	Central market facility	-Wi-Fi	Image of JM as reliable trading channel	Support programme	Effective trading floor support	Smart Cashiering	Smart Cashiering	Exhibitions & displays x3 (Or Alternative: Covid 19)	R0.2M
2	Best produce assortment	-New cashiers							
3	Effective trading system	-E-statements -E-contact with accounts dept. -Voice messaging							
4	Best trading governance	-Smart customer care syst.	-Top 10 courtesy visit -Top 30 annual report & corp. gift -Top 50 letters -Producer newsletter -Exhibitions at producer events: 4 x (Or Alternative: Covid 19)	-Promote packhouse facilities at JM -Exhibitions at BEE producer events: 2x (Or Alternative: Covid 19)	-Include in JM Trade Council opportunities (To promote JM as 'one-stop-shopping hub' -Awards event	Include in JM Trade Council (To promote JM as 'one-stop-shopping hub' -Awards event	Include in JM Trade Council (To promote JM as 'one-stop-shopping hub' -Awards event -Informal trader clubs and rewards system	Promote health elements of fresh produce	R1.1M
5	Safety/security	-One-stop-shopping							R0.6M
6	Clean amenities	-Smart card & reward							
7	Logistics	-Sales support admin -Safety ambassadors -Courtesy arrangements -Separate human & mechanical traffic -Monitoring systems for forklifts							Total R1.9M

Table 4: Action Plan – Year 1

Year 2 - Consolidation of Smart market features

Features to be promoted			To Producers		To Buyers			CoJ Events	Budget
No	Highlight JM features	Smart market element	Commercial	Small emerging	Large buyers	Med. Buyers	Small Buyers	Community	OPEX
1	Central market facility	-Complete SMART market systems & devices	Image of JM as reliable trading channel	Support programme	Effective trading floor support	Smart Cashiering	Smart Cashiering	Exhibitions & displays x3 (Or Alternative: Covid 19)	R0.3M
2	Best produce assortment								
3	Effective trading system								
4	Best trading governance		-Top 10 courtesy visit -Top 30 smart market brochure & corp. gift -Top 50 letters -Producer Newsletter on Smart market	-Promote the packhouse facilities at JM	-Include in JM Trade Council (To promote JM as 'one-stop-shopping hub' -Awards event -Integrate - Smart market support	Include in JM Trade Council opportunities (To promote JM as 'one-stop-shopping hub' -Awards event -Integrate - Smart market support	Include in JM Trade Council opportunities (To promote JM as 'one-stop-shopping hub' -Awards event -Informal trader clubs and rewards system -Integrate - Smart market support	Promote health elements of fresh produce -Integrate - Smart market support through Smart Health	R1.2M
5	Safety/security								
6	Clean amenities								
7	Logistics								
			-Exhibitions at producer events: 4 x (SMART market features) (Or Alternative: Covid 19)	-Exhibitions at BEE producer events: 2x (SMART market features) (Or Alternative: Covid 19)					R0.8M
									Total R2.3M

* Smart Cashiering includes cashless mechanisms

Action Plan – Year 2

Year 3 – Extension of market facilities – Smartness & Compliant facilities

Features to be promoted			To Producers		To Buyers			CoJ Events	Budget
No	Highlight JM features	Smart market element	Commercial	Small emerging	Large buyers	Med. Buyers	Small Buyers	Community	OPEX
1	Central market facility	-Complete SMART market systems & devices	Image of JM as compliant & reliable trading channel	Support programme	Effective trading floor support	Smart Cashiering	Smart Cashiering	Exhibitions & displays x3 (Or Alternative: Covid 19)	R0.5M
2	Best produce assortment		-Top 10 courtesy visit -Top 30 Special market brochure & corp. gift -Top 50 letters -Producer Newsletter on implementation of Smart market -“Market Day”	-Promote the packhouse facilities at JM – “smart production and marketing in action”	-Include in JM Trade Council (To promote JM as ‘one-stop-shopping hub’ -Awards event - Endorsement of JM as Smart Market	Include in JM Trade Council (To promote JM as ‘one-stop-shopping hub’ -Awards event - Endorsement of JM as Smart Market	Include in JM economic Trade Council (To promote JM as ‘one-stop-shopping hub’ -Awards event - Informal trader clubs and rewards system Phase 2 - Endorsement of JM as Smart Market	Promote health elements of fresh produce -Integrate - Smart market support through Smart Health - Publicity features JM as Smart Market (Mayoral event)	R1.8M
3	Effective trading system								
4	Best trading governance								
5	Safety/security								
6	Clean amenities								
7	Logistics								
			-Exhibitions at producer events: 4 x (JM the SMART market) (Or Alternative: Covid 19)	-Exhibitions at BEE producer events: 2x (JM the SMART market) (Or Alternative: Covid 19)					R1.2M
									Total R3.5M

Action Plan – Year 2

Year 3 – Extension of market facilities – Smartness & Compliant facilities

Features to be promoted			To Producers		To Buyers			CoJ Events	Budget
No	Highlight JM features	Smart market element	Commercial	Small emerging	Large buyers	Med. Buyers	Small Buyers	Community	OPEX
1	Central market facility	-Complete SMART market systems & devices	Image of JM as compliant & reliable trading channel	Support programme	Effective trading floor support	Smart Cashiering	Smart Cashiering	Exhibitions & displays x3 (Or Alternative: Covid 19)	R0.5M
2	Best produce assortment								
3	Effective trading system								
4	Best trading governance		-Top 10 courtesy visit -Top 30 Special market brochure & corp. gift -Top 50 letters -Producer Newsletter on implementation of Smart market -“Market Day”	-Promote the packhouse facilities at JM – “smart production and marketing in action”	-Include in JM Trade Council (To promote JM as ‘one-stop-shopping hub’ -Awards event - Endorsement of JM as Smart Market	Include in JM Trade Council (To promote JM as ‘one-stop-shopping hub’ -Awards event - Endorsement of JM as Smart Market	Include in JM economic Trade Council (To promote JM as ‘one-stop-shopping hub’ -Awards event - Informal trader clubs and rewards system Phase 2 - Endorsement of JM as Smart Market	Promote health elements of fresh produce -Integrate - Smart market support through Smart Health - Publicity features JM as Smart Market (Mayoral event)	R1.8M
5	Safety/security								
6	Clean amenities								
7	Logistics								
			-Exhibitions at producer events: 4 x (JM the SMART market) (Or Alternative: Covid 19)	-Exhibitions at BEE producer events: 2x (JM the SMART market) (Or Alternative: Covid 19)					R1.2M
									Total R3.5M

Action Plan year 3

***** End of Business Plan *****