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JOHANNESBURG ROADS AGENCY SOC (LTD)

Reg. No. 2000/028993/30

Q2 PERFORMANCE REPORT FOR THE PERIOD OCTOBER TO DECEMBER 2025

In terms of Section 121 of the Municipal Finance Management Act 56 of 2003 (as amended),
Section 46 of the Municipal Systems Act, 32 of 2000 (as amended) and the Companies Act.

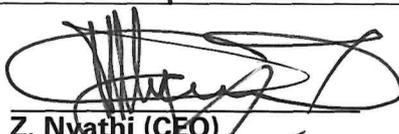
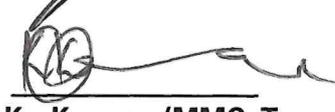
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Company Information

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Registered address:	75 Helen Joseph Street, Johannesburg, 2001
Postal address:	Johannesburg Roads Agency, Private Bag X70, Braamfontein, 2017
Telephone number:	(011) 298-5001
Fax number:	(011) 298-5178
Website:	www.jra.org.za
Bankers:	Standard Bank of SA Limited
Auditors:	Auditor General South Africa (AGSA)

Approval

 L. Mashau (CFO)	Date: <u>08/01/2026</u>
 Z. Nyathi (CEO)	Date: <u>05/01/2026</u>
 S.C. Clarke (Board Chairperson)	Date: <u>27/01/2026</u>
 K. Kunene (MMC: Transport)	Date: <u>23/01/2026</u>

Vision

The best city roads authority that enables economic growth and sustainability

Mission

We commit to provide quality roads that are accessible, safe, and liveable for our communities.

CHAPTER 1: LEADERSHIP AND CORPORATE PROFILE

Section 1: Chief Executive Officer's Report



I am pleased to present a summary of the Johannesburg Roads Agency's (JRA) performance for the second quarter of the 2025/26 financial year. Quarter 2 represents a critical midpoint in the annual performance cycle, during which the Agency consolidated delivery momentum, strengthened institutional capability, and accelerated priority infrastructure programmes within a constrained fiscal and operational environment.

Our Strategic Context and Operating Environment

As with the preceding quarter, our environment is characterised by persistent infrastructure backlogs, ageing assets, funding constraints, and heightened operational risks arising from vandalism, energy supply instability, and climate-related impacts. In Q2 in particular there were high service delivery expectations associated with local and national commitments, including preparations linked to the G20 Summit.

Against this backdrop, the JRA maintained firm alignment with the City of Johannesburg's Integrated Development Plan (IDP), Mayoral Priorities, and the Service Delivery and Budget Implementation Plan (SDBIP). Strategic focus during the quarter centred on network preservation, targeted capital investment, smart mobility interventions, and organisational strengthening to ensure sustained delivery in the second half of the financial year.

Overall Performance

During Quarter 2, the Agency achieved 77% of its pre-determined objectives, reflecting fair implementation across core service delivery, governance, and institutional performance areas. This outcome provides a platform for accelerated performance in Quarters 3 and 4.

Service Delivery And Infrastructure Performance

The resurfacing programme exceeded quarterly targets, with 81.66 lane kilometres resurfaced. Progress was also recorded on rehabilitation, stormwater conversion, gravel roads and bridge upgrades, and traffic signal modernisation, contributing to improved road safety, mobility, and network resilience.

Socio-Economic Impact And Institutional Development

The Agency supported 80 SMMEs against a target of 70 and created 156 EPWP job opportunities against a target of 80. Organisational development milestones included progress on the organisational design review, and advancement of digitisation initiatives.

Governance, Risk And Financial Oversight

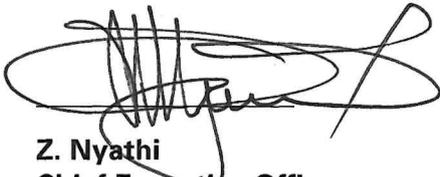
The Board and Management remained focused on sound governance in line with King IV principles. Risk management processes were strengthened, and mitigation measures were implemented to address vandalism, infrastructure deterioration, and operational disruptions. Financial constraints continued to affect liquidity; however, engagement with the Shareholder remains ongoing.

Outlook

The second half of the financial year will focus on accelerating capital delivery, strengthening financial sustainability, expanding smart mobility solutions, and deepening ethical governance and performance accountability.

Conclusion

I extend my appreciation to the Board, Executive Management, employees, stakeholders, and partners for their continued commitment. The JRA remains steadfast in its mission of Building a Better Joburg – One Road at a Time.

A handwritten signature in black ink, appearing to read 'Z. Nyathi', is written over a large, stylized oval graphic element.

Z. Nyathi
Chief Executive Officer

Section 2: Chief Financial Officer Report



The purpose of this report is to present the high-level 2025/2026 second quarter financial performance for the Johannesburg Roads Agency for the period ending 31 December 2025. The detailed financial performance information is contained in Chapter Five of this report and in Annexures B to E. As a service delivery entity, the JRA strives to balance the attainment of liquidity and profitability ratios with the attainment of key service delivery targets.

In 2025/26 financial year, JRA has an approved Operating budget of R1, 667 billion. On 31 December 2025, the Company had an Operating Expenditure and Income of R 817,9 million and R 745,9 million, respectively. This represents Expenditure exceeding Income by R71,980 at the End of December 2025. The Operating Expenditure is therefore 49% of the Budget.

The JRA has a Capital Budget of R915,8 million for 2025/26 financial year. As of 31 December 2025, the entity spent an actual of R389.5 million, however year to date of R424.5 million (46%) with accruals and commitments (refer to Chapter 5 and Annexure D for details of expenditure).

The five 2025/26 key ratios for the period ending 31 December 2025 that are in line with the Financial Development Plan (FDP) of the City of Johannesburg are illustrated below.

Table 1: Summary Ratios

KEY RATIO	Target FDP	Dec (25/26)	Performance Against Target (RAG Status)
Current ratio	1	0.81	Yellow
Solvency ratio	2	1.09	Red
Accumulated Surplus/(Loss)	R50M	(R71,9 million)	Red
Cash on hand	R50M	R 23,132	Yellow
Salaries ratio	35%	27%	Green
Repairs & Maintenance ratio	7%	1,32%	Red

The entity has an unfavourable 2025/26 current ratio at the end of 31 December 2025, as the ratio did not meet the FDP target of 1 in the current quarter. The current ratio measures the company's ability to pay its short-term obligations.

Current ratio of 1 this means that for JRA's current assets are equal to the current liabilities.

The 2025/26 solvency ratio for the period ending 31 December 2025 is below the FDP target of 2. The solvency ratio measures the company's ability to meet its long-term debt obligations. The entity's ratio of 1.09 indicates that JRA's cash flow is insufficient to meet

its long-term liabilities. JRA is insolvent for the period ending 31 December 2025. If the ratio is 1.5 or below indicates that the company will have difficulty meeting the interest on its debts. The JRA is below 1.5 ratio.

The Johannesburg Roads Agency's (JRA) Remuneration to Operating Expenditure Ratio for the period ending 31 December 2025 is 27%. The total employee cost for the period amounts to R601,397 million, which includes R378.2 million in salaries paid to Regional Operations and Mobility. These costs are excluded in the final report to account for road maintenance activities. After deducting the R378.2 million attributed to Regional Operations and Mobility, the remaining employee-related cost is R223,3million. This results in a Remuneration to Operating Expenditure Ratio of 27%, which is within the FDP target of 35%.

The JRA Intercompany Sweeping Account reflects an unfavourable balance of (R160,230 million). This balance is recognised as a loan from shareholders in the Statement of Financial Position. The Developer Contribution and Asphalt Account show a positive balance of R23,132 thousand as of 31 December 2025. The City of Johannesburg (COJ) has drawn R400 million from the Developer Contribution bank account. Consequently, JRA has recognised COJ as a related party debtor for this amount. Additionally, JRA has not received its December 2025 subsidy from the City of Johannesburg of about R140 million.

As a result, the total cash on hand for the period ending 31 December 2025 stands at a negative R 137,1 million. The total amount owed by related parties' debtors was R687 million, which represented 97% of the total debtors. The related parties have decreased from R812 million to R687 million in the 2nd quarter when compared with the previous financial year. Related Parties pose minimal risk of payment to the JRA.

JRA is progressively working to improve the financial controls, and it is envisaged that the entity will meet all the financial ratio targets as set by the Shareholder (CoJ). Based on the year-to-date performance, the Company remains insolvent and by will ensure it meets its financial obligations.



Lufuno Mashau
Chief Financial Officer

Section 3: Corporate Profile and Organisational Overview

The Johannesburg Roads Agency (JRA) is a municipal entity of the City of Johannesburg, established in 2001 to manage and maintain the City’s road and stormwater infrastructure. Operating across seven regions with a workforce of close to 1,500 employees, JRA plays a critical role in enabling mobility, supporting economic activity, and improving the quality of life for residents and businesses.

JRA’s core functions—planning, design, construction, operations, and maintenance—are aligned with the City’s vision of a resilient, sustainable, and liveable Johannesburg. The Agency remains committed to accountability, service excellence, and sustainability in delivering infrastructure services and managing public resources.

Section 4: Strategic Objectives and Value Creation Priorities

The JRA’s strategic objectives are driven by a commitment to long-term value creation for diverse stakeholders, including the City of Johannesburg, regulators, commuters, businesses, and communities. Our strategy is built around seven integrated focus areas that promote reliable, inclusive, and sustainable road infrastructure:

Strategic Objective	Focus
Service Delivery Excellence	Ensuring safe, well-maintained roads and stormwater systems through proactive and responsive maintenance.
Infrastructure Development and Inclusivity	Addressing service backlogs and promoting equitable access, especially in underserved areas
Smart Mobility and Resilience	Leveraging technology to improve traffic flow, inform decisions, and manage stormwater risks
Engaged and Active Citizenry	Fostering trust through transparency, responsiveness, and stakeholder involvement
Good Governance and Ethical Leadership	Upholding accountability, compliance, and ethical standards in all operations.
Financial Sustainability	Managing resources efficiently to ensure long-term financial viability.
Economic Empowerment and Job Creation	Advancing local economic development through job creation, SMME support, and preferential procurement.

Table 1.1: Strategic alignment

CHAPTER 2: CORPORATE GOVERNANCE

Corporate governance at the JRA defines the relationships between the Board, Management, and the Shareholder. The Board and Management remain committed to sound governance principles in line with the King IV Code and applicable legislation. The Board is satisfied that Management continues to materially comply with the King IV principles. Board member remuneration is aligned with the City of Johannesburg Group Shareholder Policy on the Governance of Group Advisory Committees (Annexure A).

Section 1: Composition, Key Activities and Remuneration of the Board

i. Composition of Board Committees

The JRA Board is composed of the following members:

Simon Clarke (NED / Chairperson); Daniel Nyamazane (NED/AFRIT Chairperson); Alvarno Francis (IACM); Henry Jerry Markus (IACM); Derek Martin (IACM); Nison Khoza (IACM); Bruce Nimmerhoudt (NED/SDC Chairperson); Siphosethu Mtamzeli (NED); Omphemetse Mokgosi (NED); Zenzokuhle Xaba (NED); Andries Jacobus Smit (NED / REMSEC Chairperson); Dr Ravendran Govender (NED); Kabelo Mofokeng (NED); Cleopatra Lourens (NED); Sharon Kleinbooi (NED); Zweli Nyathi (ED/CEO) and Lufuno Mashau (ED/CFO).

The Board Members serve in three Board Committees, responsible for the following;

- **AFRITC** (Audit, Finance, Risk & ICT) – Oversight on financial reporting, internal and external audit, risk management, ICT governance, and financial disclosures
- **REMSEC** (Remuneration and Social Ethics) – Oversight on corporate governance, ethics, HR matters, and remuneration policies
- **SDC** (Service Delivery Committee) – Oversight on strategy development, service delivery indicators, and stakeholder engagement

ii. Attendance to Board and Committee Meetings

Non-Executive Directors (NEDs)	REMSEC 10-10-2025	SDC 14-10-2025	AFR&ITC 15-10-2025	BOARD 24-10-2025	SPECIAL MEETINGS	AFR&ITC 20-10-2025	AFR&ITC 26-11-2025	REMSEC) 27-11-2025	REMSEC 02-12-2025	BOARD 28-11-2025	
Simon Clarke	n/a	n/a	n/a	✓		n/a	n/a	n/a	n/a	n/a	✓
Andre Smith	✓	n/a	n/a	✓		n/a	n/a	✓	✓	✓	✓
Daniel Nyamazane	n/a	n/a	✓	✓		n/a	✓	n/a	n/a	n/a	✓
Bruce Nimmerhoudt	n/a	✓	n/a	✓		✓	n/a	n/a	n/a	n/a	✓
Ravendran Govender	✓	n/a	n/a	✓		n/a	n/a	✓	✓	✓	✓
Cleopatra Lourens	✓	n/a	n/a	✓		n/a	n/a	✓	✓	✓	✓
Kabelo Mofokeng	✓	n/a	n/a	✓		n/a	n/a	✓	✓	✓	✓
Sharon Kleinbooi	✓	n/a	n/a	✓		n/a	n/a	✓	✓	✓	✓
Siphosethu Mtamzeli	n/a	✓	n/a	✓		✓	n/a	n/a	n/a	n/a	✓
Zenzokuhle Xaba	n/a	✓	n/a	✓		✓	n/a	n/a	n/a	n/a	✓
Omphemetse Mokgosi	n/a	✓	n/a	✓		✓	n/a	n/a	n/a	n/a	✓

Independent Audit Committee (IAC)									
Nison Khosa	n/a	n/a	✓	n/a	✓	✓	n/a	n/a	n/a
Derek Martin	n/a	n/a	✓	n/a	✓	✓	n/a	n/a	n/a
Alvarno Francis	n/a	n/a	✓	n/a	✓	✓	n/a	n/a	n/a

Table 2.1: Attendance to Board and Committee meetings

✓: denotes attendance X: denotes absent n/a: denotes not applicable

iii. Board Activities

During the second quarter, the Board of Directors;

- Convened two Board meetings held (one ordinary, one special) in line with the Board Charter and corporate calendar
 - Ordinary meeting (24 October 2025): considered quarterly performance and compliance reports
 - Special meeting: AFR&IT recommendations, audited financial statements, AGSA Audit and Management Reports, and 2024/25 Integrated Report
- REMSEC convened a special meeting (with Chairperson and Shareholder approval) to consider report on the payment of performance incentives for qualifying employees
- On 5 December 2025, Board considered and approved 2024/25 performance incentives for qualifying employees (levels 3–9).

Section 2: High-level Organisational Structure & Executive Management Team

Figure 2.2. below shows, at a high-level, the JRA organisational structure.



The JRA Executive Management Team is composed as follows;

Zweli Nyathi (CEO); Lufuno Mashau (CFO); Siphon Nhlapo (A/HoD: Mobility and Freight); Khaya Gqibitole (HoD: Regional Operations); Mpho Maruping (A/HoD: Infrastructure Planning); Kwazelela Mcetywa (HoD: Infrastructure Development); Ayanda Ntshingila (HoD: Public Relations & Stakeholder Engagement); Puleng Hlatshwayo (HoD: Corporate

Services); Mehluli Nhlengethwa – (A/HoD: Performance, Governance and IT); Hemmy Malebati – Operations Manager: Internal Audit); and Phumla Majola – (Company Secretary)

Section 3: Good Governance, Ethics and Anti-Corruption

During the quarter under review, the Ethics Management Forum implemented several initiatives aimed at strengthening ethical culture and promoting awareness of organisational policies:

Ethics Awareness: In collaboration with Depot Managers and Group Forensic and Investigations (GFIS), JRA conducted ethics and fraud awareness campaigns across its depots during the quarter. The initiatives aimed to reinforce ethical conduct, anti-fraud policies, and individual accountability. The campaigns received positive feedback, improved staff awareness, and contributed to strengthening a culture of transparency, integrity, and risk reduction across the organisation.



- **Policy Translation and Visibility:** Furthermore, simplified policy statements for the Code of Ethical Conduct, Fraud and Corruption, and Whistleblowing Policy were translated into Xitsonga and circulated and displayed across the organisation.
- **Reporting mechanisms** – The following reporting mechanisms were functional in Q2: Management request; Walk ins; Emails, Telephone, Whistle blowing, Anti-Fraud Hotline: 0800 002 587; Email: anticorruption@tipsoffs.com and whistle@joburg.org.za

Looking Ahead

In Quarter 3, the Ethics Management Forum (EMF) will broaden its outreach through a comprehensive ethics awareness campaign at JRA Head Office, with participation from key external stakeholders, including Gauteng Forensic Investigation Services (GFIS) and the Office of the Ombudsman, to strengthen ethical governance and reinforce a culture of integrity. In addition, an ethics survey will be rolled out to assess the impact and effectiveness of the ethics and fraud awareness initiatives implemented across the organisation.

Section 4: Risk Management

In Q2 the JRA operated in a dynamic risk environment influenced by internal and external factors

Internal risk drivers:

- Ongoing Organisational Design process aimed at improving efficiency and future fit
- Budget constraints impacting the ability to address ageing infrastructure

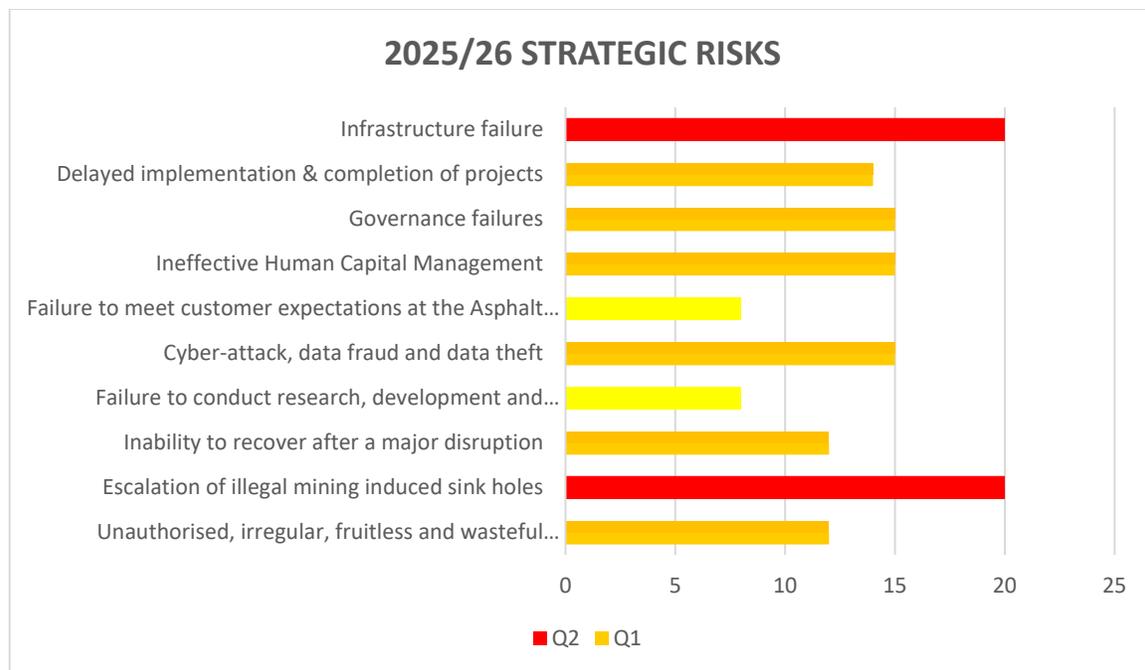
External risk drivers:

- Inclement weather conditions
- Continued vandalism of infrastructure
- Economic pressures, regulatory compliance requirements, and evolving technology trends

As Q2 coincides with mid-year performance reviews and the commencement of planning for the 2026/27 financial year, the consideration of current risk statuses was integral to both processes. Risk management activities were guided by an ISO 31000-aligned Risk Management Framework. All risk management policies and frameworks were reviewed and updated to strengthen governance and ensure effective implementation.

Strategic Risks Overview

The graph below is a depiction of strategic risks as at 31 December 2025.



Overall, the organization maintained a stable risk profile, there has not been a significant shift in the overall exposure compared to what was depicted in the first quarter despite the implementation of some of the mitigations. In response to the identified risks, JRA has identified a total of 40 mitigation actions. 31 of these actions were due in the quarter under review. 14 of these actions were implemented.

Some of the key highlights in relation to the mitigation are:

- As part of being proactive, a flood management plan was activated and communicated to guide efforts to control the impact of flash floods and climate change on the city's road infrastructure,
- To promote IT security, a communique on phishing was also issued for employees.
- JRA's business continuity plan was revised to improve the organisations resilience.
- As part of proactive maintenance, various infrastructure upgrades were completed across the regions.
- Numerous policies that had been outstanding for years were also revised and approved.

There are some reasons that were observed as causing stagnation of the risks, these include;

- Most of the mitigations have been started but not implemented fully.
- Some of the mitigations had minimal impact; maintenance has been done on ageing infrastructure, but major structural issues still remain.
- External factors such as illegal mining off setting the gains from the implemented mitigations.

The second quarter highlighted persistent risks related to infrastructure deterioration leading to increased likelihood of road network disruptions. More sinkholes were also reported in the quarter under review, which will also compound deterioration of infrastructure.

Section 5: Anti-Corruption and Fraud Investigations

The JRA remains committed to combating fraud and corruption, recognising their risk to the organisation’s assets, service delivery, and reputation. In partnership with the Ethics Management Forum (EMF) and Group Forensic and Investigation Services, the JRA promotes an ethical culture across all operations. Awareness campaigns have been rolled out through ethical governance posters and suggestion boxes placed throughout JRA offices and depots. An ethics survey was also conducted to assess organisational culture. Forensic investigation outcomes from the Group Forensic Services are reviewed and administered by JRA management to ensure accountability and appropriate follow-up actions.

Categories of matters reported to GFIS anonymously

- 12 matters regarding Alleged fraud, corruption and maladministration; Alleged intimidation; and Alleged recruitment process.
- 2 matters have been closed
- 4 matters are to be discussed with the CEO

Section 6: Compliance with Laws and Regulations

The entity monitors compliance with 48 pieces of legislation, covering primary, secondary, and general regulatory provisions. A quarterly compliance report is compiled and submitted to the Remunerations and Social Ethics Committee and Group Compliance Services to support effective oversight. During the reporting quarter, the JRA held an awareness workshop on the Occupational Health and Safety Act, reinforcing staff understanding of key legal obligations. A summary of overall compliance performance is presented below.

AREA	TOTAL	COMPLIANT	NON-COMPLIANT
Companies Act	6	6	0
Labour Relations & Employment Laws	10	7	3
Finance Tax	7	5	2
Environmental	3	2	1
Fraud Corruption Ethics and Compliance	5	5	0
Road and Traffic Management Act	3	2	1
ICT	1	1	0
Capital Projects Requirements	2	2	0
General – MFMA & MSA	13	13	0

Table 2.4: Compliance Summary

6.1. Loading Of The Audited Financial Statements With CIPC

The Board approved the audited Annual Financial Statements (AFS) on 28 November 2025 in compliance with section 30(1) of the Companies Act, which requires AFS to be prepared and audited within six months after financial year-end. In line with CIPC requirements, the AFS were converted to iXBRL format and submitted via the electronic filing platform. The AFS have been successfully uploaded, and the entity is awaiting confirmation of compliance through the issuance of the COR 30.1 certificate by the CIPC.

6.2. Resolved Areas Of Non- Compliance

During the quarter under review, previously identified areas of non-compliance were addressed.

- An External Quality Assurance (EQA) review of the Internal Audit Function (IAF), conducted by Nexia for the period 1 July 2023 to 30 December 2024 in line with the International Standards for the Professional Practice of Internal Auditing, was finalised. The EQA, commissioned in response to prior AGSA findings, confirmed overall conformance with professional standards and a favourable outcome, with recommendations to strengthen the explicit inclusion of consulting engagements in future audit plans. The AFR&IT Committee considered and noted the results, and the matter will be recorded in the compliance universe register and monitored quarterly.
- Construction Industry Development Board – No CIDB non-compliance notices were received during the quarter; JRA complied with CIDB Act requirements, including contractor disclosures, support reporting for emerging contractors, and publication of construction contracts and awards on the CIDB platform.

6.3. Declaration of Interests, Gifts and Favours

In terms of the Code of Conduct for Municipal Employees (Schedule 2 of the Municipal Systems Act 32 of 2000), all City and municipal-owned entity employees are required to annually declare their interests. JRA implemented a communication drive from 20 September to 20 December 2025 to secure outstanding declarations for the 2025/26 financial year. As at 30 September 2025, a total of 969 declarations had been received, with 489 still outstanding.

JRA Staff Compliments	Total number of signed declaration forms	Total number of employees who have declared an interest	Total number of employees with no interest in declaring	Total number of outstanding declarations of interest
1458	969	3	966	489

All Board and Independent Audit Committee members have signed the code of ethical conduct and declaration of interest forms for the 2025 / 2026 financial year

Q2 Gifts And Favours Register

JRA component	staff	Total number of signed gift and favours forms	Total number of unsigned submitted declarations forms	Total number of employees who have declared gifts and favours
1458		0	0	0

6.4. POPIA & PAIA

- No PAIA requests were received in the quarter under review.
- Continuous follow ups are done with Corporate Services for EMT training.
- POPIA messages are erected in the building including deports and posted on the intranet.

Section 7: ICT Governance

ICT governance at the JRA is guided by the approved Corporate Governance of ICT Policy Framework. The IT Business Unit drives enterprise-wide solutions across six key areas: Applications & Solution Delivery, IT Infrastructure, Service Desk, IT Security & Governance, Business Analysis, and Project Management. The unit ensures system reliability, cybersecurity, and digital transformation, aligning with King IV, COBIT, ITIL, MFMA, and POPIA standards to support operational efficiency and regulatory compliance.

CHAPTER 3: SERVICE DELIVERY PERFORMANCE

Section 1: Highlights and Achievements

- **Organisational Performance** – The JRA achieved 77% of its pre-determined objectives
- **Certifications** – The JRA Quality Management System was officially awarded ISO 9001: 2025 certification for the Production of Asphalt and the Testing of Construction Materials.
- **G20 Summit Support** – JRA delivered targeted maintenance and upgrades on key routes, improving road safety, mobility, and city readiness for the G20 Summit.
- **Resurfacing** – The JRA resurfaced 81.661km of road against a target of 37km.
- **Infrastructure Development** – Lilian Ngoyi Rehabilitation (Phase 2) commenced with the exposure of services, water bulk line connections as installed in work package 1, milling and removal of existing asphalt, roadbed preparation and sewer bulk line connections.
- **Gravel Roads Upgrades** – A total of 2.19km has been upgraded to date. New contractors were appointed for Thulani / Doornkop, Mayibuye and Tshepisoong projects this quarter.
- **Traffic Signal Management** – Johannesburg ranked 29th out of 940+ global cities in the 2025 INRIX Global Traffic Scorecard, with congestion levels lower than several major international metros, indicating moderate congestion by global standards and availability of a strong foundation for continued mobility and traffic optimisation initiatives.
- **SMMEs and EPWP** – A total of 80 SMMEs were supported against quarterly target of 70
 - 156 EPWP job opportunities were created against a target of 80.

Section 2: Service Delivery Challenges

In Q2, the JRA experienced challenges as follows:

Challenges	Mitigations
Vandalism of traffic light infrastructure remains a challenge. 132 reports of theft and vandalism and accidents damages, from 123 signalised sites, have been recorded, with region B, E and F. collectively carrying over 60% of the challenges.	Dedicated a resource from the department to focus on the protection of the JRA's infrastructure. Several engagements with JMPD has been made and they are now patrolling some of the sensitive areas and hotspots.
Contractor performance due to financial constraints	Continuous engagement with affected contractors to ensure contractual obligations are met as service delivery is a key priority. Notices (14 days) to terminate were issued for mostly gravel roads projects as poor performance remained during the second quarter,

Challenges	Mitigations
Delayed payments to service providers resulting in project delays	<ul style="list-style-type: none"> • Continuous engagement with the affected service providers. • Delays have led to some contractors suspending work till reimbursed for completed work.
Work disruptions caused by SMMEs for various reasons resulting in project stoppages. This challenge has significantly impacted on several projects, particularly upgrading of gravel roads.	Numerous engagements have been conducted with the SMMEs through our SMME Desk, and a way forward has been agreed upon.

Table 3.1: Challenges experienced in Q2

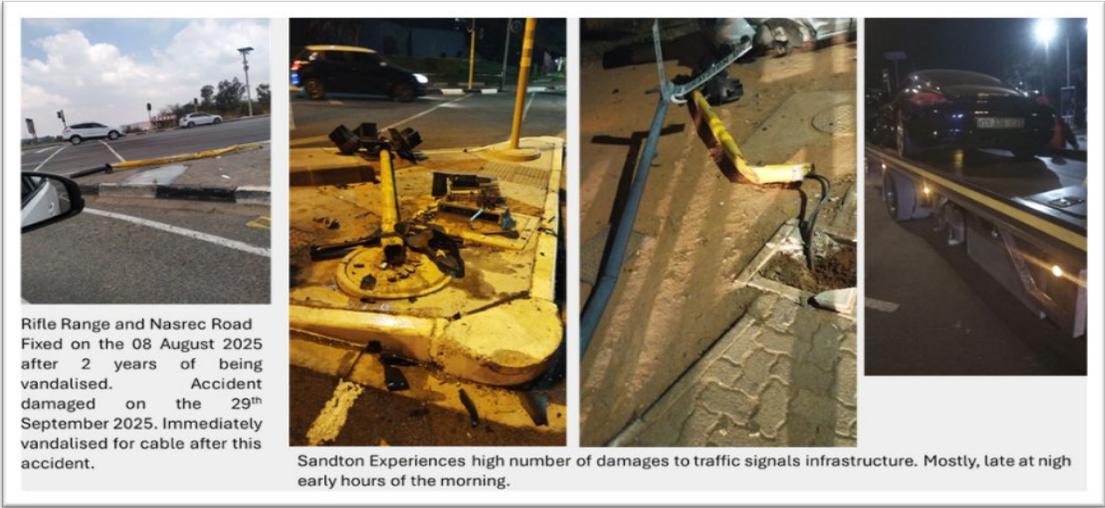


Figure 3.1: Damaged infrastructure

Section 3: Response to Strategic Direction

During the quarter under review, the implemented the following programmes towards the attainment of its business plan and IDP objectives.

i. Roads Resurfacing Programme.

For Q2, the target of 37 lane km roads resurfaced was exceeded as a total of the 81.66 lane km was resurfaced. The resurfacing work was undertaken in the following areas among others, Wards 78, 79, 80,94,96,110 and 111(Region A), 87,99, Ward 117 (Region B), and Ward 31,33, 41,42,48 and 53 (Region D), Ward 72,76,81,103,106,109 and 116 (Region E), Ward 118 (Region F), Ward 17,18 (Region G),

ii. Gravel Road Upgrade Programme

The JRA also upgrades gravel roads into surfaced roads mostly in marginalized areas across the City of Johannesburg. The upgrading of gravel roads to surfaced standard roads

is currently in progress with road layer works and stormwater pipes installation. The bulk of the work was undertaken in Drieziek, Poortjie, Diepsloot, Lawley, Orange Farm, Slovoville, Ivory Park, and Slovoville. A total of 2.19km was upgraded from gravel roads to surface standards.



The images above illustrate the Diepsloot Gravel Roads Upgrade Project; these visuals depict good progress achieved in quarter two in the surfacing of roads.

iii. Open Drains Conversions

The JRA embarked on a programme of converting open storm water channel systems into underground pipe and or culvert systems. During the 2025/26 financial year the focus is on Braamfischerville, Orange Farm, and Ivory Park. Work is in progress in all three regions and a total of 0.692 km converted to underground stormwater system.



The images above illustrate Installation of Box Culverts onto Concrete Pre-Cast Slabs and Concrete Floor Slab Preparation in Orange Farm. These visuals depict good progress achieved in quarter two.

iv. Rehabilitation and Reconstruction Programme

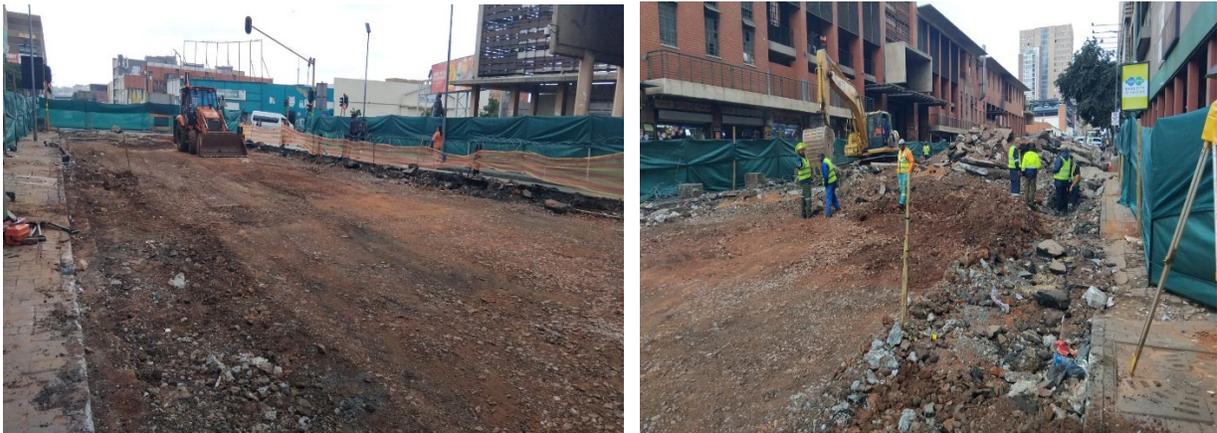
The rehabilitation and reconstruction programme covers the City of Johannesburg; however, due to budgetary constraints, implementation has been prioritised for Lillian Ngoyi Street, with other areas remaining at design stage.

Work Package 1 (Phase 1):

- Comprehensive reconstruction of a 450 m section of Lillian Ngoyi Street.
- Demolition of the existing tunnel and construction of a new reinforced concrete tunnel.
- Reconstruction of approximately 300 m of roadway.
- Phase 1 is 100% complete.

Work Package 2 (Phase 2):

- Commenced in September 2025.
- Scope includes exposure of services and bulk line connections.
- Works currently in progress.



The pictures above depict progress achieved in the early stages of Work package 2 with the exposure of services and excavations for a Lilian Ngoyi rehabilitation project.

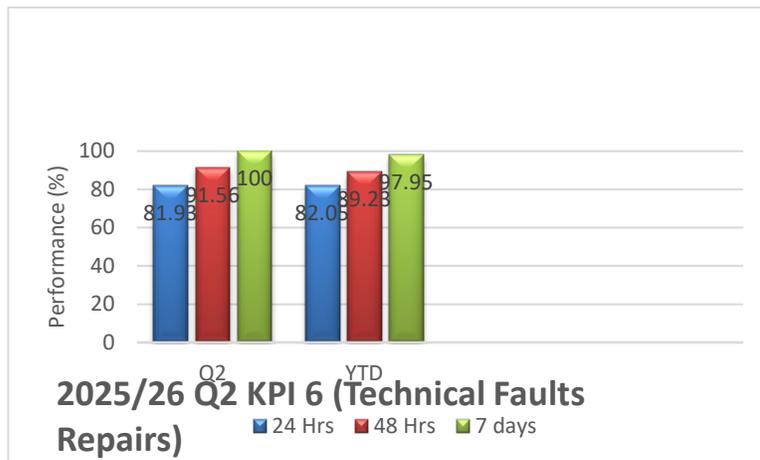
v. Bridges Management Programme

There are currently sixty-eight bridges that require urgent rehabilitation and/or reconstruction across the City. For Q2, construction work was undertaken on three (bridges). The following progress was achieved:

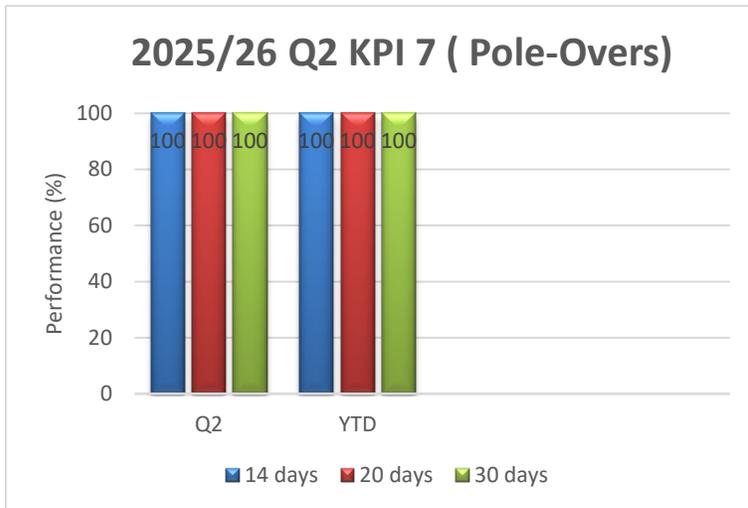
- Canterbury bridge in Region E, ward 106, work is 93% with gabions, kerbing, road surfacing and kerbing.
- Work is in progress for the Reconstruction of Piere Road Major Culvert Bridge in Region C, ward 97. Construction is in progress with earthworks and work is 85% complete.
- Work is in progress for Modderfontein bridge in Region E, Ward 81 with bridge foundation and is 40% complete.
- Contractors were appointed for Blue Bridge and work is in progress
- Construction for the FNB pedestrian bridges is anticipated to commence in January 2026.
- The appointment of Sjampane bridge culvert contractor is in progress.
- The contractor was appointed for Mzimhlophe pedestrian bridge in the month of October 2025.

iv. Traffic signals maintenance and management

JRA maintains and operates approximately 2,040 traffic signalised intersections across the City of Johannesburg, with an additional 278 intersections belonging to the Gauteng Department of Transport. The Remote Monitoring System (RMS) provides over 80% network coverage, enabling rapid fault detection and response. During the period, 2,386 faults were recorded across 1,128 sites, including 269 faults from 118 Gauteng-owned intersections. Power-related issues accounted for approximately 42% of all faults, impacting about 30% of signalised sites, particularly along key arterial routes. Performance against KPI 6 and KPI 7 is reflected in the graphs below in line with the approved business plan.



In Q2 81.93% of 83 technical faults service requests, from 70 signalized sites, inclusive of GPDRT owned, have been resolved within 24 hours. This has contributed 82.05% of YTD KPI 6 performance. Region B appears to be the most affected by almost 30% of the faults.



3 pole-over service requests have been recorded in Q2 compared to 11 YTD, attributing that to proactive site visits. 100% resolution has been recorded within the SLA during Q2 and YTD. Material availability improvement has been realized, as SCM processes continue to improve, while maintenance teams continue to use some good quality salvage materials to fix where applicable.

- Material availability has improved as SCM processes continue to strengthen, supported by the effective use of quality salvage materials where appropriate. While theft and vandalism remain a challenge, infrastructure damage in Q2 reduced to just over 3%, compared to approximately 5% year-to-date.
- Underground chambers continue to be implemented as sites are identified, providing a proven and robust solution for securing traffic signal controllers and improving infrastructure safety.

Leading Challenges and Mitigation

- **Theft and Vandalism** – Theft and vandalism of traffic signal infrastructure remain a major risk to network uptime, particularly in Region F, including the Johannesburg CBD and surrounding areas (End Street, Hillbrow, Yeoville, and Bezuidenhout Valley). Infrastructure damage accounted for just over 3% of incidents in Q2, an improvement from approximately 5% year-to-date, but the impact remains significant due to repeat vandalism at key intersections. Numerous CBD intersections experienced cable theft, controller removal, pole cutting, and power disruptions, with some sites vandalised multiple times. Restoring functionality at these high-risk intersections will require an estimated capital injection in excess of R30 million, highlighting the need for sustained security, infrastructure hardening, and coordinated enforcement interventions.
- **To mitigate** – infrastructure theft, the Department has deployed cameras and sensors at rebuilt intersections. While effective, these security measures have increased traffic signal rebuild costs by approximately 30%. The implementation of underground chambers continues where sites are identified, providing a proven and robust solution for securing traffic signal controllers. Upon detection of theft or vandalism, Infrastructure Protection Teams promptly report incidents to SAPS and

actively follow up on cases. Multiple cases relating to cable theft, controller theft, and tampering with essential infrastructure are currently active and under investigation, reflecting strengthened collaboration with law enforcement.

SAPS Name	Nature Of Case	Case Number	Date Of Trial	Outcome
Parkview	Theft of copper cable	144/08/2025	Active	Pending
Central JHB	Attempt to steal copper cables	348/08/2025	Active	Pending
Central JHB	Theft of controller	1177/08/2025	Active	Pending
Orlando SAPS	Theft of controller	11/09/2025	Active	Pending
Moroka SAPS	Theft of controller	30/10/2025	Active	Pending
Central SAPS	Theft of copper cable	484/06/2025	08/10/2025	Pending
Orlando SAPS	Position of suspected stolen property	206/04/2025	09/12/25	Pending
JHB Central	Tempering with essential infrastructure	105/07/2023	29/10/2025	Pending

- **Power supply** – remains a key constraint affecting traffic signal uptime. City Power and Eskom are the primary electricity suppliers, and JRA continues to engage closely with both to restore power at affected signalised sites. From September to date, approximately 42% of recorded faults were power-related, impacting 672 sites (about 30% of the signalised network), particularly along major arterial routes across the City of Johannesburg.
- **To Mitigate** – Traffic Signal Backup Power Initiative: To reduce reliance on an unstable electricity grid, JRA has established over 58 partnerships with private entities to fund and maintain backup power solutions, primarily diesel generators, at key intersections. While effective, the initiative remains geographically limited. As at November 2025, 150 intersections are supported through backup power partnerships.
- **Other recommended actions include** – IGR engagements between the CoJ and Eskom, (ii) real-time data sharing between power utilities, JRA fault systems and JMPD for proactive deployment; prioritization of Tier 1 intersection list for immediate JMPD response; expansion of the private partnership model as a supplementary intervention; and additional capital and operational funding to enable proactive upgrades and maintenance of traffic signal infrastructure.

v. Traffic signals maintenance and management

The INRIX Global Traffic Scorecard 2025 confirmed Johannesburg does not feature

among the world's top 10 most congested cities, despite being assessed against 900 cities across 7 continents and 36 countries.

This performance is notable given Johannesburg's large population base and its concentration of vehicles, with Gauteng hosting the highest number of registered vehicles nationally and Johannesburg accounting for an estimated 60% of provincial vehicles.

The rollout of semi-actuated and fully-actuated traffic signal detection systems has contributed to improved traffic flow by dynamically responding to real-time demand, reducing unnecessary delays and increasing intersection capacity compared to fixed-time systems.

In the Waterfall CBD, 15 intersections are now powered and equipped with full vehicle actuation, representing a significant improvement in adaptive signal control and network efficiency in this high-growth area.

vi. Development Control

During Quarter 2 of the 2025/26 financial year, the JRA recorded, through private developers, 10.472 km of new road infrastructure, supported by 6998 m of stormwater systems and 26159 m² of sidewalk paving across 12 construction sites, with a total capitalised value of R154.723 million.

Private - 2025/26 - New Roads and Stormwater Constructed in Quarter 2.

#	Month	Road Works actual (m) or equivalent for widenings (area/6m)	Stormwater (m)	Sidewalk Paving (m ²)	Amount Capitalised
1	July 2025	1830	1916	3733	R 25,902,209.41
2	July 2025	1203	789	3919	R 35,635,163.56
3	July 2025	Rehabilitation	30	5710	R 20,624,023.97
4	July 2025	356	220	1414	8,862,005.690
5	August 2025	4869	2914	4086	29,832,621.550
6	September 2025	2214	1129	7297	28,685,008.970
7	October 2025	none	erf connection	rehabilitation	5,181,982.320
TOTALS		10472	6998	26159	R 154,723,015.47

During Quarter 2 of the 2025/26 financial year, Development Control activity for both private and public developments declined sharply compared to Q1, primarily due to the City's TAS application submission system being offline, which disrupted the flow of applications to

JRA. For private developments, town planning applications, correspondence submissions, building plan reviews, and construction work values all decreased significantly, with private construction activity dropping from R48.5 million in Q1 to R7.0 million in Q2, reflecting reduced approvals rather than reduced market demand. Similarly, public development control recorded notable declines in town planning applications, correspondence, SDP reviews, and construction work taken over by JRA, as several projects remained in the implementation phase rather than completion stage. While volumes declined, the complexity and scale of projects under review increased, meaning workload pressures remained. Overall, the Q2 downturn is assessed as system- and timing-driven, with a recovery in approvals and completed works anticipated toward Q4 as system functionality stabilises and projects reach completion.

vi. Regional Operations

Asphalt Plant Performance

The JRA Asphalt Plant holds a unique strategic advantage as it is complemented by the JRA Materials Laboratory, the Road Surfacing Depot, 9 Regional Operations Maintenance Depots, and Motorways Depot, all of which fall within JRA’s direct access and control. These depots serve as key internal customers for the Asphalt Plant, ensuring that production directly supports the broader operational and maintenance needs of the Agency. The Asphalt Plant has commenced providing services to external customers.

During the Q2 of the 2025/2026 financial year, the Asphalt Plant recorded a plant availability of 86% for hot-mix asphalt production. The 14% downtime was due to a plant breakdown, inclement weather, shortage of material and men’s wellness meeting.

Asphalt Plant South African Bureau Standards (SABS) 9001 Certification Update.

The Asphalt Plant ISO 9001 certification on production and testing of asphalt material has been obtained.

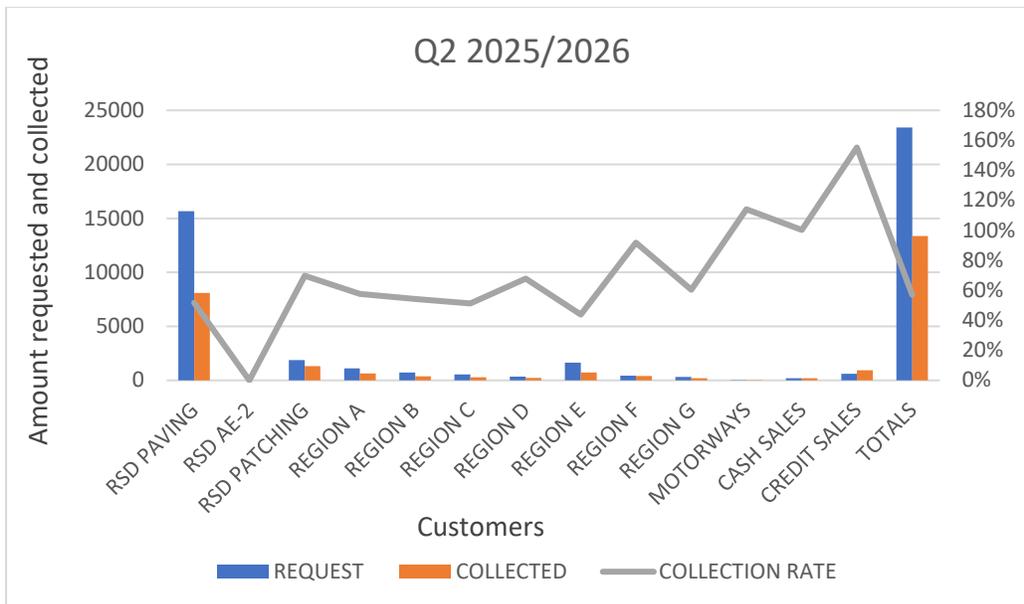
Asphalt Performance

Hot Mix Asphalt Production

Quarterly Asphalt Production 01 October 2025 – 12 December 2025				
Customers	Hot Mix Asphalt Production			Downtime
	Requested	Collected	Collection Rate	Hours of Downtime
RSD PAVING	15660	8102.86	52%	
RSD AE-2	0	0	0%	
RSD PATCHING	1875	1307.56	70%	
REGION A	1113	640.7	58%	

REGION B	712	386.74	54%	72 Hours
REGION C	535	274.2	51%	
REGION D	331	224.62	68%	
REGION E	1645	720.24	44%	
REGION F	446	408.94	92%	
REGION G	315	190.14	60%	
MOTORWAYS	1	1.14	114%	
CASH SALES	183.92	184.3	100%	
CREDIT SALES	596.74	926.42	155%	
TOTALS	23413.66	13367.86	57%	

During Q2, only 57% of requested asphalt was collected, with downtime and under-collection in high-volume internal programmes driving performance gaps, while commercial sales and Region F demonstrated strong, disciplined uptake.



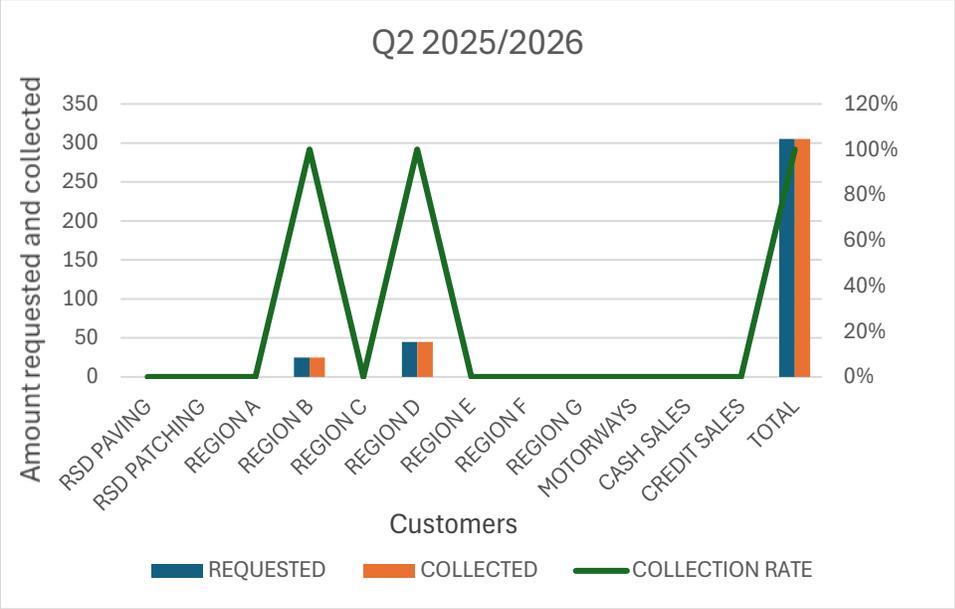
Cold Mix Asphalt Production

Q2 2025/2026 (01 October to 12 December 2025)			
Regions	Requested	Collected	Collection Rate
RSD Paving	0	0	0%
RSD Patching	0	0	0%
Region A	0	0	0%
Region B	25	25	100%
Region C	0	0	0%
Region D	45	45	100%

Region E	0	0	0%
Region F	0	0	0%
Region G	0	0	0%
Motorways	0	0	0%
Cash Sales	0	0	0%
Credit Sales	0	0	0%
Total	305	305	100%

Cold mix asphalt production in Q2 was limited but fully effective, achieving a 100% collection rate in Regions B and D, confirming its reliability

as a targeted maintenance and contingency solution rather than a high-volume production stream.



vii. **Support to SMMEs and EPWP**

- **SMMEs Supported** – The JRA has a programme to support SMMEs and to create EPWP opportunities. In relation to SMME support, as at Q2, the JRA has supported 80 SMMEs against a target of 70.
- **EPWP Jobs Created** – In relation to EPWP opportunities created, as at Q2 the JRA has created 156 EPWP opportunities against a target of 80. The opportunities are linked to the implementation of capital projects in the JRA.

Section 4: Performance Against Service Standards.

JRA has 21 sub-targets aligned to the seven service standards outlined in the Customer Charter. All 21 targets recorded service requests in Quarter 2, and all targets were met, a 100% performance rate. (For further details, refer to Annexure F.)

Section 5: Performance Against Pre-Determined Objectives

The Johannesburg Roads Agency's Business Plan included 28 Key Performance Indicators (KPIs). Of these, 2 were not scheduled for reporting in Quarter 2, leaving 26 KPIs due for assessment during the quarter. The performance against these targets for Q2, is summarised below:

JRA Programmes	No. of KPIs	Achieved	Not Achieved	Not Due	%age
Institutional SDBIP KPIs	3	2	1	0	67%
Entity Scorecards KPIs	5	5	0	0	100%
Gatekeeper KPIs	10	5	4	1	56%
Circular 88 Indicators	10	8	1	1	89%
Q2 Total	28	20	6	2	77%

Table 3.6: Summary of Organisational performance

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
Institutional SDBIP KPIs									
1.	Number of lane kilometres of roads resurfaced	75 lkm	15 Lkm	16.92 lkm	37 Lkm	81.66 lkm	Work accelerated as internal teams (RSD) and appointed contractors are implementing work.	Not Applicable	81.66 lkm
2.	Number of kilometres of gravel roads upgraded to surfaced roads	10.4 km	0.5 Km	1.23 km	3 Km	2.19 km	The overall programme is behind schedule due to: <ul style="list-style-type: none"> Poor performance of contractors (Orange Farm and Lawley). Delayed payments of service providers. Late appointment of contractors. 	To mitigate challenges: <ul style="list-style-type: none"> Notices to terminate poorly performing service providers were issued. Delayed payment challenge was escalated to EMT. Letters of appointment were received for Mayibuye, Tshepisong and Doornkop / Thulani projects. 	2.19 km
3.	Number of kilometres of open stormwater drains converted to underground systems	1.0 km	0.2 Km	0.57 km	0.5 Km	0.692 km	The overall programme progressed faster than Anticipated with good progress being achieved in Orange Farm	Not Applicable	0.692 km
Entity Scorecard KPIs									
4.	Km of surfaced	1.2 km	0 km	0.3 km	0.2 km	0.3 km	The overall programme progressed faster than	Not Applicable	0.3 km

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
	roads rehabilitated and reconstructed						<p>anticipated.</p> <ul style="list-style-type: none"> Lilian Ngoyi Work package 1 (Phase 1) is 100% complete. Work Package 2 (Phase 2) commenced in the month of September 2025, and construction is underway. 		
5.	Number of bridges (Pedestrian & Vehicular) being reconstructed (replacement) and or rehabilitated	5 Bridges	1 Bridge	3 Bridges	2 Bridges	4 Bridges	<p>The overall programme progressed faster than anticipated. Construction Work is underway for bridges below:</p> <ul style="list-style-type: none"> Canterbury bridge - Pierre Road bridge - Modderfontein bridge - Blueridge bridge 	Not Applicable	4 Bridges
6.	Number of SMMEs supported	170 SMMEs	35 SMMEs	46 SMMEs	70 SMMEs	80 SMMEs	<p>There was an increase in SMMEs appointments during the second quarter. Consistent tracking and continuous engagement with stakeholders have also resulted in the increase in SMME appointments being reported</p>	Not Applicable	80 SMMEs
7.	Number of signalised traffic	9 Traffic Intersections	2 Traffic Intersections	32 Traffic Intersections	4 Traffic Intersections	37 Traffic Intersections	The progress accelerated as the budget was received from various	Not Applicable	32 Traffic Intersections

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
	intersections upgraded						streams (Lilian Ngoyi, Transport and Provincial Departments.		
8.	Number of EPWP jobs created	180 EPWP Jobs	40 EPWP Jobs	69 EPWP Jobs	80 EPWP Jobs	156 EPWP Jobs	Great progress was achieved exceeding the creation of local work opportunity employment targets.	Not Applicable	156 EPWP Jobs
Circular 88									
9.	Number of potholes reported per 10kms of municipal road network	25 Potholes	-	Not Due	-	Not Due	Not Applicable	Not Applicable	Not Due
10.	Percentage of unsurfaced roads graded	51% (672.18km/1318km)	12.5% (164.75km/1318km)	14.93% (196.76km / 1318km)	25% (329.5km/1318km)	30% (394.99km/1318)	The weather contributed to increased demand for road grading contributing to more km being graded	Not Applicable	30% (394.99km/1318)
11.	Percentage of municipal road lanes which have been resurfaced and resealed	4.38% (75 lkm / 1711)	0.87% (15 lkm /1711)	0.99% (16.92 lkm/1711)	2.16% (37 lkm km /1711)	4.77% (81.66 lkm/1711)	Work accelerated as internal teams (RSD) and appointed contractors are implementing work.	Not Applicable	4.77%
12.	Kilometres of new municipal road network	20.8 lkm	1 lkm	2.46 lkm	6 lkm	14.85 lkm	ID completed 4.38km while 10.47km were capitalised from private developers.	• Not Applicable	14.85 lkm
13.	Percentage of reported	80%	80%	95.20%	80%	89.76%	Implementation of high impact and operation	Not Applicable	93.11%

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
	pothole complaints resolved within standard municipal response time	within 30 days	restore activities improved performance		Within 30 days				
14.	Staff vacancy rate	10%	18%	4.6%	15%	8.56%	The automated recruitment process enabled the recruitment processes for approved positions to progress faster.	Not Applicable	8.56%
15.	Percentage of vacant posts filled within 3 months	1%	0.25%	3%	0.5%	5.88%	The recruitment process was completed faster for approved positions	Not Applicable	5.88%
16.	Number of active suspensions longer than three months	≤28 Suspensions	35 Suspensions	14 Suspensions	33 Suspensions	7 Suspensions	Some suspensions were lifted	Not Applicable	7 Suspensions
17.	Quarterly salary bill of suspended officials	≤ R 12,000,000	≤ R 3,000,000	R R4,062,758.95	≤ R 3,000,000	R3,703,174.24	Despite progress with resolution and lifting of suspensions, conclusion of some cases were not concluded due to circumstances beyond the employer's control.	There are mitigations in place to ensure disciplinary hearings are fast tracked showing a decline quarter on quarter	R7,165,933.19
18.	Number of repeat audit findings	2 Repeat Findings	7 Repeat Findings	5 Repeat Findings	5 Repeat Findings	4 Repeat Findings	One of five repeat findings was resolved during this quarter. 4 repeat findings	Not Applicable	4 Repeat Findings

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
							were remaining at the end of the quarter		
Gate Keeping									
19.	Percentage spent on operating budget against approved operating budget	95%	25%	26%	50%	49%	In several instances, appointed contractors experienced delays in mobilisation, including site establishment, availability of resources, and subcontractor appointment. These factors constrained early progress on capital projects and delayed expenditure drawdown.	Enhancement of processes to strengthen contractor readiness, enforce mobilisation milestones, and improve early-stage project oversight to accelerate project commencement.	49%
20.	Percentage spent on capital budget against approved capital budget	90%	22.5%	24%	45%	46%	Alignment between approved business plans, operational activities, and allocated budgets ensured improved expenditure.	Not Applicable	46%
21.	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred	50%	-	Not Due	-	Not Due	Not Applicable	Not Applicable	Not Due
22.	Percentage of valid invoices paid within	100%	100%	93%	100%	71%	Payment delays due to insufficient weekly cash allocations. Additional our JRA subsidy for the	Ongoing engagements with COJ to align inflows and outflows more closely; prioritize	71%

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
	30 days of invoice date						month of September was not paid in September 2025.	payments based on criticality.	
23.	Percentage resolution of Internal Audit findings	95%	10%	26%	30%	42%	Thirty-three (33) out of fifty-three (98) finding were resolved during this quarter, cumulatively there has been 42% resolution.	Not Applicable	42%
24.	Percentage resolution of AG findings	85%	10%	10%	30%	75%	Six (6) out of eight (8) findings that were due during this quarter were resolved, translating to 75%.	Not Applicable	75%
25.	Audit Outcome	Unqualified without material findings	-	Not Due	Unqualified without material findings	Unqualified with material findings	<p>There were material findings on;</p> <ul style="list-style-type: none"> Expenditure Management Circular 88 KPIs 	To improve performance management will consolidate the progress made an implement remedial action plans for the two areas identified	Unqualified with material findings
26.	Percentage of the risks management implementation plan implemented	80%	20%	29%	40%	55%	Departmental workshops were held with risk owners to highlight implementation plans	Not Applicable	55%
27.	Percentage achievement of service standards	80%	80%	100%	80%	100%	Not Applicable	Not Applicable	100%

KPI No.	KPI	2025/26 Target	Q1 Target	Q1 Actual	Q2 Target	Q2 Actual	Reasons for non-achievement / exceeding target	Action Plan to Improve Performance	YTD
28.	Percentage of Predetermined objectives achieved	80%	80%	92%	80%	77%	Reasons have been provided for non-achievement of each KPI	Management to follow-up on action plans to improve performance	77%

CHAPTER 4: HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

Section 1: Employee Remuneration

JRA Employee Costs Q2	
Category	Amount (R)
C) Top Management	R 2,493,449.09
E) Snr Management	R 13,228,417.92
F) Professional & Mid Management	R159,813,603.62
G) Skilled & Jnr Management	R328,951,862.71
H) Semi-skilled	R226,131,039.01
Total	R730,618,372.35

- Total employee costs for Q2 amounted to R730.6 million, largely concentrated at operational and technical levels, consistent with a maintenance-intensive operating model.
- Skilled, junior management and semi-skilled roles account for the majority of costs, supporting frontline service delivery, while professional and mid-management roles provide essential technical oversight.
- Senior and top management costs remain low, comparatively, reflecting a delivery-focused and lean management structure.

Section 2: Key Vacancies

The JRA has the following critical vacancies, and the status of recruitment is reflected in the table below.

Vacant Post	Progress
Accountant – Treasury	Recruitment process underway
Driver Messenger	Advertised 24/11/2025
Testers (Lab)	Advertised 28/11/2025
Assistant Manager: Employee Relations	Advertised 28/11/2025
Auditor	Advertised 28/11/2025
Diesel Mechanic	Advertised 28/11/2025
Foreman	Advertised 28/11/2025
Inspector	Advertised 28/11/2025
LTO	Advertised 28/11/2025
Officer: Employee Relations	Advertised 28/11/2025
Operators	Advertised 28/11/2025
Sign Erector/Supervisor	Advertised 28/11/2025
Supervisors	Advertised 28/11/2025
Assistant Manager: Bids and Tenders	Advertised 28/11/2025
Committee Officer	Advertised 28/11/2025

3.2. Vacancy Rate

The company has an adjusted staff compliment of 1 658 authorised positions on the approved structure of which 1597 are funded. Of the 1597 funded positions, 1453 are

currently filled. There are currently 144 active funded vacancies in the process of being filled.

Table 2: Staff Complement

Department	Total
CEO's Office	18
Corporate Services	105
Finance Department	133
Infrastructure Development	32
Mobility & Freight	144
Performance, Governance & IT	45
Planning	51
Public Relations & Stakeholder Engagement	38
Regional Operations	1092
TOTALS	1658

The organisation has 144 funded vacancies, largely concentrated at operational and technical levels, presenting a clear opportunity to strengthen service delivery capacity. Senior leadership vacancies remain limited, reflecting stability at strategic levels. Prioritised recruitment in operational, technical, and supervisory roles is expected to enhance performance and support sustained service delivery.

3.3. Staff Turn-Over

Turnover (Reason)	Q1	Q2
Resignation	5	1
Death	4	1
Dismissal	0	2
Medical Boarding	0	0
Retirement	12	12
Contract Termination	0	2
Total	21	18

Total turnover decreased from 21 in Q1 to 18 in Q2. Retirements remained the dominant driver of turnover in both quarters (12 in Q1 and 12 in Q2), reflecting an ageing workforce trend. Resignations and deaths declined in Q2, contributing to the overall reduction in turnover. Involuntary exits increased slightly in Q2, with dismissals (2) and contract terminations (2) recorded, compared to none in Q1.

Table 3: Staff Turnover

3.4. Staff Movement

The table below provides an illustration of the staff movement recorded during Q2.

Table 4.1: Staff Movement

Staff Movements	African		Coloured		Indian		Whites	
	Male	Female	Male	Female	Male	Female	Male	Female
Appointments	1	1	-	-	-	-	-	-
Recruitments	-	-	-	-	-	-	-	-
Resignations	1	-	-	-	-	-	-	-
Death	1	-	-	-	-	-	-	-
Dismissals		2	-	-	-	-	-	-
Retirements	12							

Staff Movements	African		Coloured		Indian		Whites	
	Male	Female	Male	Female	Male	Female	Male	Female
Medical Boarding	-	-	-	-	-	-	-	-

Section 3: Employee Equity

During Q2, Employment Equity (EE) Committee representatives participated in key City of Johannesburg initiatives, including the 2025 16 Days of Activism and Disability Day commemorations, reinforcing JRA's commitment to inclusion and social justice. EE representatives also contributed to the JRA policy review workshop and participated in the quarterly consultative meeting, where office bearers for the Disability Subcommittee were nominated and progress against the EE Plan objectives was reviewed.

Table 5: Number of JRA Employees as of December 2025

Occupational Level (High Level)	Male				Female				Total
	A	C	I	W	A	C	I	W	
Top Management	4				2				6
Senior Management	17		1	4	7			2	31
Professional Qualified	99	4	3	11	78	7	3	4	209
Skilled Technical	203	4		7	165	3		3	385
Semi-Skilled	536	3	2	7	265	3		2	818
Unskilled									
Temporary									
TOTAL	859	11	6	29	517	13	3	11	1449

The Economically Active Population (EAP) in South Africa is a critical statistical benchmark for Employment Equity, defined as all individuals within working age who are either employed or unemployed and actively seeking work.

Table 6: JRA Workforce Profile

DESCRIPTIONS	MALES			FEMALES				NON-DESIGNATED MALES	FOREIGN NATIONALS		
	A	C	I	A	C	I	W		W	MALES	FEMALES
Province Population %	45.30	1.30	1.90	35.70	1.30	1.00	6.10	7.40			100.00
Current number of employees	856	11	6	517	13	3	11	29	3		1449
Required	672	19	28	530	19	15	91	110			
Difference Under / Overrepresented	184	-8	-22	-13	-6	-12	-80	-81			
Current %	62	0.83	0.62	35	1	0.3	1	2			
% Gap	-16.60	0.47	1.28	0.92	0.54	1	4.93	5.33			

Section 4: Skills Development and Training

Training Provided to Address EE Under Representation

Occupational Level	Age Group	Male				Female				Total
		A	C	I	W	A	C	I	W	
Top Management	18-34	18-34	0	0	0	0	0	0	0	0
	>35	>35	0	0	0	0	0	0	0	0
Senior Management	18-34	0	0	0	0	0	0	0	0	0
	>35	0	0	0	0	0	0	0	0	0
Professional Qualified	18-34	1	0	0	0	0	0	0	0	1
	>35	21	0	0	1	18	2	0	0	42
Skilled Technical	18-34	4	0	0	0	6	0	0	0	10
	>35	21	0	0	0	23	1	0	0	45
Semi-Skilled	18-34	0	0	0	0	1	0	0	0	1
	>35	18	0	0	0	17	0	0	0	35
Unskilled	18-34	13	0	0	0	18	0	0	0	31
	>35	19	0	0	0	16	0	0	0	35
Temporary	18-34	0	0	0	0	0	0	0	0	0
	>35	0	0	0	0	0	0	0	0	0
TOTAL	18-34	18	0	0	0	25	0	0	0	43
	>35	79	0	0	1	74	3	0	0	157

Section 5: Performance Management

The 2025/26 financial year commenced on 1 July 2025. During the reporting period, the Performance Management Unit continued processing the 2024/25 annual performance score sheets and the 2025/26 performance agreements and balanced scorecards, with submission deadlines extended to 30 September 2025. Quality assurance, corrections, and capturing of the annual score sheets were completed, supported by ongoing feedback and one-on-one engagements to improve performance. Moderation Committees were convened on 19 and 20 November 2025, comprising Operations Managers and Heads of Departments respectively. The finalised 2024/25 performance score sheets and bonus schedule were submitted to Internal Audit for verification.

Table 8: Summary of Performance Management Document Submissions

Departments	Total Number of Employees	PA and BSC submitted	Half Yearly Reports submitted	Annual Scoresheets submitted
CEO's Office	14	12	12	10
Infr. Development	28	28	26	27
Mobility and Freight	128	125	105	120
Infr. Planning	40	40	37	36
PR & SE	35	34	33	35

Finance	113	99	98	104
Corporate Services	70	64	62	61
PG&IT	39	39	37	37
Regional Operations	1037	979	971	1000
Total	1504	1420	1381	1370
%age Total Submission		94.41%	91.82%	91.09%

5.1. Organizational Design

The organisational design and review process assesses JRA’s structure, processes, people, and culture to ensure alignment with strategic objectives and operational demands. Through the Building the Bridges to 2027 project, JRA is aligning its organisational design with its strategy to enhance efficiency, effectiveness, and long-term sustainability. The project is nearing completion, with the Job Profile Validation exercise at 97% completion, providing a solid foundation for the job grading process. Updated job profiles are currently being distributed to departments for sign-off in preparation for the next phase of implementation.

5.2. Job Grading Reorientation Session

The Job Grading Reorientation session took place on the 7th of November 2025. The aim of the session was to reorientate committee members in preparation for the final Job Grading session. Part of the engagement included Job Grading terms of reference.

5.3. Change Management process for Managers

On the 9th of December 2025, the HCD team conducted Change Management Workshop on behalf of managers within the the JRA. The objective of the workshop was to equip managers with the tools and techniques when providing feedback to their reportees regarding the outcomes of the organisational design and review project. Indications are that only few positions will be deemed redundant. Managers will be expected to assume the role of super change champions. 45 managers attended the workshop.

Section 6: Disciplinary Matters and Outcomes

The following disciplinary cases are currently being conducted, as displayed in the table below:

Conciliations, Arbitrations and Labour Court Matters:

The below conciliations and arbitrations are currently being conducted:

CONCILIATIONS, ARBITRATIONS AND LABOUR COURT MATTERS				
NO	NAME	NATURE OF DISPUTE	PROCESS	STATUS
1	Level 3	Self-Review of the internal disciplinary proceedings	Labour Court	Matter set for review on the 26 August 2026 at the Labour Court.

CONCILIATIONS, ARBITRATIONS AND LABOUR COURT MATTERS				
NO	NAME	NATURE OF DISPUTE	PROCESS	STATUS
2	Level 3	Unfair dismissal	Labour Court	JRA filed for re-instatement on 11 November 2024 at the Labour Court, date not yet communicated to parties.

Currently there are seventeen (17) recorded cases of employees that are being conducted. Out of these seventeen (17) cases, seven (7) officials are on precautionary suspension, while two (2) of the officials who were on precautionary suspension have been uplifted, investigations and disciplinary hearing is still ongoing. The table below reflects the circumstances of each of these cases.

Disciplinary Cases and suspensions:

No	Employee Level	Date Suspensions	Category of Violations	Details of Disciplinary Action taken or status of case
1	Level 3	25/01/2023	Alleged dishonesty by soliciting bribes from appointed contractors	Precautionary suspension extended on the 2 July 2025; Investigations complete with recommendations to bring the charges against the employee
2	Level 3	20/05/2024	Alleged Misconduct	Final investigation report concluded, disciplinary hearing to proceed in the 2nd quarter of the FY
3	Level 3	23/08/2024	Alleged Misconduct	Matter postponed to February 2026, final date to be communicated
4	Level 4	04/10/2024	Alleged Misconduct	Final investigation report concluded, disciplinary hearing to proceed in the 2nd quarter of the FY
5	Level 3	14/10/2024	Alleged Misconduct	Matter postponed to October 2025, final date to be communicated
6	Level 6	13/03/2025	Alleged Misconduct	Matter postponed to January 2026
7	Level 3	16/07/2025	Alleged Misconduct	Under investigation

Section 7: Leave and Productivity Management

A summary of the leave provisions during the 2nd quarter is presented below.

Figure 4.12: Leave and productivity management.

Category	Number of leave days
Annual leave	1344
Sick leave	762
Family Responsibility leave	103
Study leave	155

Long service leave	51
Extended sick leave	0
Unpaid leave	60

Section 8: Employee Wellness

The JRA Employee Health and Wellness register currently reflects a total of one hundred and forty-seven (147) active cases, of which five (5) were new referrals received during Quarter 2 of the 2025/2026 financial year.

8.2.1 Counselling Sessions

A total of 36 counselling sessions were conducted for both new and existing cases. Seven (7) were telephonic, and twenty-five (28) were face-to-face, ensuring accessibility and support across operational environments.

Recommendations / outcomes: continue offering a mix of telephonic and face-to-face sessions to maintain accessibility. Monitor employee engagement and feedback to improve wellness support service.

Additional Interventions and Referrals:

- Two (2) hospitalization referrals were facilitated for employees requiring immediate clinical care
- One (1) referral was made for a family member requiring psychosocial support.
- One (1) peer referral was received and processed.
- Three (3) management referrals were initiated to address workplace or performance-related concerns.
- Three (3) cases were successfully finalized during the reporting period.
- **Presenting Problems** – The most common presenting issues among employees included:
- **Work-relationship challenges** – (e.g., conflict, communication breakdown, interpersonal strain)
- **Psychosocial concerns** – (e.g., stress, emotional distress, personal adjustment difficulties)
- **Substance use issues** – (requiring monitoring, counselling, and where necessary, clinical intervention)
- **Financial stress** – (highlighting the ongoing need for financial wellbeing programmes)
- **Marital challenges** – (Divorce and GBV)

8.2.2 Other Activities and Achievements:

a. Shift Work Benchmarking for Employee Wellbeing

As the organization prepares to implement a shift-work arrangement, the Wellness Unit convened benchmarking sessions with other City Entities to assess potential wellbeing risks associated with shift systems. Meetings were held with Pikitup on 02 October 2025, City Power on 06 October 2025, and JMPD on 17 October 2025. The objective was to identify challenges that could impact employees' physical, psychological, and social wellbeing, and to proactively recommend mitigation strategies to management.

b. Financial Wellbeing Intervention and Strategic Partnership

Through referrals received for psychosocial support, it has become evident that a significant number of employees — particularly those based at depots — are experiencing high levels of indebtedness. In response, the Wellness Unit met with Metropolitan on 06 October 2025 to explore a potential partnership aimed at improving employees' financial health. A Memorandum of Understanding (MOU) between Metropolitan and the Johannesburg Roads Agency has been drafted and routed for the Chief Executive Officer's approval. This initiative aims to provide structured financial education, debt-management support, and long-term financial planning services for employees.

c. Wellness Committee and Subcommittee Activities

The Wellness Unit continues to coordinate an active Wellness Committee and its subcommittees, which meet quarterly to deliberate on organizational wellness issues and to plan upcoming interventions.

- A main committee meeting was held on 07 October 2025 to plan Q2 wellness activities.
- The Employee Hospitalization and Bereavement Subcommittee convened on 20 and 27 October 2025, successfully drafting the Employee Hospitalization and Bereavement Policy. The policy is scheduled for employee consultation prior to presentation to the LLF for endorsement.
- The Sports Exco Subcommittee held its quarterly meeting on 14 November 2025 to finalize logistics for the Interdepartmental Sports, Health, and Wellness event. This event aims to promote team cohesion, physical wellness, and employee engagement across departments.

d. Conflict Management and Interpersonal Support Interventions

The Wellness Unit noted an increase in work-relationship and mediation-related referrals during the quarter, highlighting the need for structured conflict-management training. In response, a meeting with HCM was held on 15 October 2025, and conflict-management

training coordinated by HCD was conducted from 27–30 October 2025. The intervention equipped participants with practical skills to manage conflict, improve communication, and foster healthier and more productive workplace relationships.

e. Wellness Campaigns and Health Promotion Activities

Men’s Wellness Month: Screening and Education Campaign – In recognition of Men’s Wellness Month, the Wellness Unit, in partnership with the Department of Health, implemented a Men’s Wellness Campaign across all depots and Head Office from 4–14 November 2025. The campaign focused on preventative healthcare, early detection, and mental wellbeing, with sessions facilitated by Lifeline and Department of Health psychologists. Services included mental health education and free health screenings such as prostate cancer testing, blood pressure, cholesterol, diabetes, TB, and HIV testing. A total of 256 employees participated in prostate cancer testing, demonstrating strong engagement. The campaign was supported by the Chief Executive Officer, reinforcing leadership commitment to employee wellness, and light refreshments were provided to accommodate the extended programme duration.

f. Participation in the Sports, Health and Wellness Event – Department of Correctional Services – To promote physical wellness as a key pillar of the Employee Health and Wellness Programme, the Wellness Unit participated in the Department of Correctional Services’ Sports, Health and Wellness Event on 19 November 2025. JRA employees represented the organisation across multiple sporting codes, achieving strong results, including semifinals for Soccer Teams A and B, second place for the Female Volleyball Team, and first place for the Male Volleyball Team (combined with JMPD) against a SAPS–DCS team. Pool and aerobics activities further encouraged participation and physical activity. The event contributed to improved morale, strengthened team cohesion, and supported work-life balance through positive and healthy competition.

g. Blood Donation Drive – South African National Blood Services (SANBS) – In collaboration with the South African National Blood Service (SANBS), the Wellness Unit hosted a blood donation drive on 19 November 2025, during which eight employees donated blood in support of the national blood supply. Donors received branded lunch bags as a token of appreciation. The initiative promoted civic responsibility, compassion, and community wellbeing.

h. 16 Days of Activism Against Gender-Based Violence (GBV) & World AIDS Day Programme – The Wellness Unit hosted a combined awareness and education event commemorating the 16 Days of Activism Against Gender-Based Violence and World AIDS Day on 1 December 2025 at the 4th Floor Auditorium. The session featured expert input from partner organisations, including People Opposing Women Abuse (POWA), Metropolitan Life, South African National Council on Alcoholism and Drug Dependence (SANCA), Lifeline South Africa, and the University of the Witwatersrand. Discussions focused on psychoeducation, behavioural change, support structures, gender-safety

awareness, and HIV/AIDS wellness management. The event concluded with a keynote address by JRA CEO: Zweli Nyathi, reaffirming JRA's commitment to a safe, supportive, and inclusive working environment.

3.13: Employee Benefits

As prescribed in the Basic Conditions of Employment Act (BCEA) the employees are provided with a range of employment benefits by the company through membership in the following accredited funds:

Table 4.14: Pensions and Medical Aid Funds

	Name of the Medical Aid	No of employees
MEDICAL AID	Bonitas	333
	Key Health	84
	Sizwe Hosmed	62
	LA Health	354
	SAMWU Med	181
	Non members	481
	Total	1495
	Name of Fund	No of employees
PENSION FUNDS	E-Joburg	1315
	City of Johannesburg Pension Fund	95
	Municipality Gratuity & Pension Fund	28
	National Fund for Municipal Workers	0
	Municipal Employees Pens Fund	15
	Employees who were given the option to have their own Retirement Annuity when employed by JRA	1
	Total	1454

Occupational Health and Safety

Injury incidents at the company are reported using Disabling Injury Frequency Rate (DIFR) values. DIFR is defined as the number of disabling injuries per 200,000 employees' hours worked over a 12-month period (an accident resulting in the loss of one or more shifts). The acceptable and recommended best practice DIFR value is one (1). It is important to manage injury incidents to levels below the value of one. In the second one quarter, ten (10) disabling occupational accidents were reported.

Table 4.15: Injuries on Duty

Injuries on Duty	Activity	Q1		Q2		Q3		Q4		Target / Comment
	Injuries on Duty (No of reportable cases)	24/25	25/26	24/25	25/26	24/25	25/26	23/24	25/26	
		6	18	14	10					The acceptable and recommended best practice DIFR value is a value of one.

Reportable Cases Rate (DIFR)	0,199	4,155	0.680	5,506				
KPIs								

The table indicates that the DIFR remains above the acceptable threshold of one (1), currently standing at 5.506. A total of ten (10) occupational accidents were recorded. The primary causes included being run over by machinery, bee stings, tailgate incidents, struck-by object injuries, jetting pipe incidents, guardrail, insect, hot mix and hijacking-related accidents. All incidents have been investigated, and preventative measures are being continuously monitored and reviewed through regular audits, inspections, and the prompt enforcement of corrective actions.

Summary of Occupational Accidents (October – December 2025)

- A total of 10 injury incidents were recorded across various depots during the period.
- Injuries primarily resulted from equipment handling, manual tasks, and environmental factors (e.g. heavy machinery, tailgates, hot materials, insects).
- Days lost ranged from 0 to 14, with several cases still under investigation or recovery.
- One security-related incident (assault during hijacking) was reported, with no days lost but requiring psychosocial support.
- Recommended mitigations consistently emphasise:
 - Development and enforcement of standard operating procedures (SOPs/SWPs)
 - Task-specific risk assessments and toolbox talks
 - Use of appropriate PPE
 - Improved supervision, training, and equipment inspections
 - Environmental and security risk controls
- Overall, the incidents highlight the need to strengthen preventative safety controls, particularly around equipment handling, manual work, and environmental hazards, while reinforcing a proactive safety culture across all depots.

Exit Medical Surveillance

- A total of 6 health surveillance assessments were scheduled and 100% completed, with no outstanding cases.
- No suspected Noise-Induced Hearing Loss (NIHL) referrals were recorded during the period.

- One medical referral was issued, indicating targeted follow-up where required.
- Coverage across multiple depots reflects consistent implementation of occupational health monitoring.
- Overall, the results demonstrate planning, full compliance, and proactive management of employee health risks.

Employee occupational health consultation

- A total of 20 medical consultations were conducted across depots during the reporting period.
- Vital signs monitoring and general medical check-ups accounted for the majority of consultations, indicating a proactive approach to employee health surveillance.
- Most outcomes resulted in monitoring, review, or medical advice, with only one minor injury requiring first aid, reflecting low incidence of serious workplace health issues.
- Avalon and Midrand depots recorded the highest engagement, demonstrating good uptake of onsite wellness and health support services.
- Overall, the consultations reflect preventative healthcare measures and ongoing support for employee wellbeing across depots.

Table 4.18 : Occupational health awareness

- A wellness session was conducted at the Avalon Depot on 15 October 2024.
- 67 employees attended the session, reflecting strong participation and engagement.

Table 4.20: Periodical Medical Surveillance October – December 2025

- A total of 477 out of 603 employees participated in periodic medical surveillance, leaving 126 outstanding and 11 referrals for medical assessment

CHAPTER 5: FINANCIAL PERFORMANCE AND EXPOSURE

Section 1: Statement of Financial Position and High-Level Notes

(End of September 2025)

	2025-2026
	R (000)
2025/2026 Operating surplus/(Loss) as of 30 December 2025	(R71,980)
2025/2026 Cash on hand (Developer’s account and Asphalt)	23,132
2025/2026 Accumulative Deficit	(R 680,023)

(Refer to Annexure C for December 2025 Statement of Financial Position)

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

Component	2025/2026 Operating Budget	Actual (2025/2026)	Variance
	R'000	R'000	R'000
2025/2026 Income	R 835 865	R 745 945	R 89 919
2025/2026 Expenditure	(R 835 865)	(R 817 925)	(R 17 939)
2025/2026 Surplus/ (Deficit)	0	(R 71 980)	R 71 080

Notes regarding financial position / performance (as of 31 December 2025):

The 2025/2026 quarter 2 cumulative Actual Income is below budget by R89 919. This is due to the following reasons:

- Asphalt Sales, and other incomes are all under budget for the second, Asphalt sales are very low, both the system and allocation need to be reviewed for more accurate detail on the Asphalt sales.
- Even though the jobbings and other sources of other income have exceeded their budgets, other income is still under budget due to the poor performance of Asphalt sales. Recoveries from Transportation could not be finalized due to incomplete information from Regional Operations and have hindered the billing for the first 2 quarters.
- Interest is negative due to the JRA overdraft position
- Management Fees are under budget due to recoveries not made and possible invoices not concluded with COJ.
- The 2025/2026 Cumulative Operating expenditure is under budget by R million this is contributed to by the following reasons:

Over/Under spending:

- **2025/2026 Consulting fees:** Consultant Fees are overspent for the 2nd quarter; this is due to the OD process and digitalization which is ongoing.
- **2025/2026 Legal Fees:** Legal Fees are over budget as the COJ has signed an SLA for invoices to be paid by JRA for services rendered for JRA legal cases. Some invoices were also from the prior financial year and are being processed now.
- **2025/2026 Depreciation and asset impairment:** The depreciation is under budget in the second quarter, even though new assets have been purchased many are still in the WIP account.
- **2025/2026 Audit Fees:** The audit fees are overspent for the quarter; audit has just concluded, and audit fees invoices were processed. It also included 2 invoices that related to the previous audit which had not been submitted on time.
- **2025/2026 Leased Expenditure:** Leased expenditure is under budget for the second quarter. This is due to invoices not received on time for processing.
- **2025/2026 Employee Costs:** Employee-related costs for the quarter are over budget, the annual increase and PFA was implemented and backdated to July 2025, 13th cheque payments were also processed at the end of November.
- **2025/2026 Municipal Charges:** Municipal charges are over budget for the quarter as operating costs for landlord and City of Johannesburg have been received for capturing on JDE.
- **2025/2026 Data Services:** Data services are over budget for the current quarter. This is due to some old invoices that were received from MTN including current invoices for the service providers.
- **2025/2026 Licenses:** Licenses are under budget but will increase as licenses expire and have to be renewed later in the financial year.
- **2025/2026 Security:** Security is over budget due to the special security used for the depots.
- **2025/2026 Contractors JRA:** Contractors show a minus movement for the month due to claims that have been processed and expenditure not yet processed.

Section 3: Cash Flow Statement

Refer to Annexure D for 2025/2026 Interim Cash Flow Statement

Section 4: Quarter 4 Capital Projects and Expenditure.

Capital Projects & Expenditure (2025/2026 CAPEX expenditure)

Budget		Q1	Q2 Cumulative	Q3 Cumulative	Q4 Cumulative
2016-17 (R 1 472 946 000)	Expenditure	R 213,644 850	R 519 285 867	R 702, 044, 000	R 1, 288, 026, 000
	%	14,84 %	36,06%	47,7%	87,4%
2017-18 (R 1 121 086 000)	Expenditure	R 140 052 822	R 458 622 627	R 640 007 000	R 1,092,688,501
	%	11.5%	37,8%	57,1%	97, 4%
2018-19 (R 1 301 847 000)	Expenditure	R 162 494 005	R 494,151,605	R 681,126,046	R 1, 292, 145, 004
	%	13.5%	40,96%	52,32%	99%
2019-20 (R 1 140 860 000)	Expenditure	R 340 901 123	R 682 223 153	R 798, 736, 529	R 934, 521, 550
	%	29, 88%	59,8%	70%	82%
2020-21 (R 978 195 300)	Expenditure	R 66 059 812	R 204 845 109	R 320 170 903	R726 091 878
	%	6,38%	19,78%	30,93%	74,23%
2021-22 (R 863 707 000)	Expenditure	R147 585 152	R354 669 469	R497 382 976	R736 361 602
	%	16,96%	40,76%	57,16%	85.26%
2022-23 (R 795 214 000)	Expenditure	R149 453 580.77	R244,774 910	R373,803,734.38	675,298,475.78
	%	14%	22%	47.01%	85%
2023-24 (R 859,650,000)	Expenditure	R177,323,358.73	461,849,606.55	R 539,535,410	R 786,729,916.06
	%	21%	46%	66.67%	97%
2024-25 (R 807,220,000)	Expenditure	86,799,641.69	326,846,003.58	479,114,155.66	787,674,021.62
	%	11%	41%	59%	98%
2025-26 (R 915,808,735)	Expenditure	222,444,753	424,553,441.20		
	%	24%	46%		

2025/2026 Capital Projects & Expenditure

Refer to the attached Annexure B for details. The summary includes commitments and accruals.

Funding Sources

Table 5.1: Funding Source

Details	25/26 Budget (R'000)	25/26 Actual (R'000)	%age Spent
COJ Funded	207,318,485.00	53,786,643.70	26%
Other	708,490,250.00	370,766,797.50	52%
Total	915,808,735.00	424,553,441.20	46%

Section 5: Ratio analysis

Table 5.2: Summary Ratios

KEY RATIO	Target FDP	December 2025 (2025/26)	Performance Against Target (RAG Status)
Current ratio	1	0.81	
Solvency ratio	2	1.09	
Accumulated Surplus/(Loss)	R50M	(R71,9 million)	
Cash on hand	R50M	R 23,132	

Salaries ratio	35%	27%	
Repairs & Maintenance ratio	7%	1,32%	

Table 5.2: Summary Ratios

Notes
Although some of the FDP targets were not met on ratios, the company is financially sound and solvent

Cost coverage: JRA is currently has 4.8 months cost coverage.

The Ratio indicates the Entity’s ability to meet at least its monthly fixed operating commitments from cash and short-term investment without collecting any additional revenue, during that month.

If an entity has a ratio below the norm which is 1 to 3 months it would be vulnerable and at a higher risk in the event of financial “shocks/setbacks” and its ability to meet its obligations to provide basic services or its financial commitment is compromised. The results from this ratio should be viewed along with results from analysis on Debtor Management to fully assess Cash Flow Risk. The more cash reserves a municipality, or municipal entity has available the lower the risk of it being unable to fund monthly fixed operational expenditure and to continue rendering services.

Section 6: Supply Chain Management and BBBEEE

Table 5.3: BBEE Expenditure

	%
Total payments made (excl. payroll) - R354 988 332.53	61% against a target of 75% p.a.

Capex Percentage	174,137,370.96	30%
Opex Percentage	180,850,961.57	31%

The new Preferential Procure Policy Framework Act came into effect on 1 April 2017. The B-BBEE point allocations have changed which impact future reporting. JRA reported B-BBEE spend of 79.08% against a scorecard target of 75% per annum.

Payment of suppliers within 30 days

	25/26 Q1	25/26 Q2	Target
% compliance in respect of payment of all Service Providers made within 30 days	July 100% August 100% September 79% Average 93%	October 100% December 100% December 13% Average 71%	100%

The 30 Days compliance rate for Quarter 2 is 71% against a target of 100%. The main reason for the non-compliance is the cash flow limitations. This has impacted grossly on payments

to service providers which expose the organization to repeat audit findings.

The organization has continued to submit weekly cashflows to the City for payment approval. Escalations on critical accounts were made through management and this included incidents of suspension of work on projects. Overall delayed / non-payment of service providers has dented service delivery and image of the organization.

Report on Irregular, Fruitless and Wasteful Expenditure and Due Processes

- **Irregular expenditure** – The opening balance on the 1st of July 2025 is R118 580 845 and for the first 6-month JRA has incurred R 20 168 978 as at the end of the second quarter, which brings the total accumulative amount of irregular expenditure to date to R138 748 873.00.
- **Fruitless and Wasteful Expenditure** – The Fruitless and Wasteful expenditure incurred for Quarter 2 is R 8,341.10. The entire amount represents interest for delayed submissions and payment for some Eskom invoices. The total YTD amount is R86,673,275.22 which includes the opening balance of R 86,664,934.12 from the previous financial years.
- **Deviations** - For the month ending 31 December 2025, there were (6) deviations in appointments. The total deviations appointments from 01 July 2025 to 31 December 2025, awarded in values of R 40 312 211.43.
- **Debtors**

In the normal course of business, the JRA enters transactions with various external parties, some of whom are Related Parties, other Government Entities and Third Parties.

These transactions are deemed to be at arms' length whereby cash is paid upon exchange or payment terms are extended to the external party. In other instances, these transactions are of non-exchange nature.

The following summary of the Age Analysis for the 2nd Quarter by category of Debtor:

Description	%	Open Amount	Current	31 - 60	61 - 90	91 - 120	Over 120
Related Parties	97.00%	687,604,113.07	143,450,894.99	14,003,920.47	17,943,619.04	47,900,488.32	464,305,190.25
Other Govt entities	2.77%	19,648,985.12	-	22,685.09	5,516,179.36	3,644,615.44	10,465,505.23
Third Parties	0.22%	1,591,926.20	59,430.69	3,438.59	6,731.65	-	1,522,325.27
		708,845,024.39	143,510,325.68	14,030,044.15	23,466,530.05	51,545,103.76	476,293,020.75

From the above table, the following observations can be made:

- That, the overall debtors' book shows a decrease from a figure of R841.8m to R708.8m in the 2nd quarter of the financial year 2025/26. The decrease is attributable to COJ's payment on some of the long outstanding invoices and stagnant billing. Corporate Finance is engaging with COJ to settle all the long outstanding debt.

- II. **Related Parties** are those entities that fall within the ownership and control of the City of Johannesburg with whom the JRA does business. Under normal circumstances, the transactions between the entities are underpinned by the SLA failing which, a purchase order may become a trigger for doing business.

The total amount owed by related parties' debtors was R687 million, which represented 97% of the total debtors. The related parties have decreased from R812million to R687.6 million in the 2nd quarter. Related Parties pose minimal risk of payment to the JRA. The normal process requires all related entities to confirm the outstanding balances owing/owed to one another, as well as the transactions that gave rise to those balances. This process ensures that all disputes are eradicated. Furthermore, due to the austerity measures of intercompany confirmations and reporting for each quarter and monthly, management is confident that the bulk of the invoices will be settled, as the departments clear all accrued transactions. Corporate Finance unit is continuously engaging with City of Johannesburg departments to resolve the queries being raised on old invoices.

- III. Third Parties account for 0.22% of the total debtors' book, a decrease of 0.02% from the 1st quarter. Third party debtors amounting to R68k in this category have been created because of staff that have exited the JRA system with outstanding amounts. Provision for these debtors has been made due to their non-responsiveness. Interest charges are levied in this line item at prime rate on monthly basis. Defaulting debtors are provided for against this category to the amount of R197 579.73 as at year end 30 June 2025. Follow-up process on any outstanding or due amounts still to be paid is performed to ensure recovery. Interest charges have been levied in the line item at prime rate on monthly basis.
- IV. **Other Government Entities** are owned and controlled by other spheres of government but fall outside the City of Johannesburg. This category of debtor's accounts for 2.77% of the overall book in the 2nd quarter. This shows a decrease of 0.52% due to the minimal number of new invoices submitted to GPDRT for completed work and maintenance of traffic signals. Debtors in this category are stagnant and follow-up on the over 120 days due by the GPDRT and IDC are made. Bulk of the invoices of GPDRT were settled in the current quarter. The matter is given most important consideration to ensure that long outstanding invoices are settled. Furthermore, on-going communication is made with all debtors to recover what is being owed to JRA, by sending monthly statements, and reminders telephonically.

V. **Bad Debts Provision**

The bad debts provision for the 2nd quarter remained at R83 million and was disclosed against JRA debtors. All debtors are assessed monthly, and provisions made and adjusted during the impairment & uncollectability assessment as per GRAP 104. The JRA provision is against the following debtors as per the schedule below:

Provision for Bad Debts - as of 31 December 2025

		Open A/R Summary
Address		
Number	Description	Amount
	JRA	
1545622	Prepayments and Developers Income	135,401.41
120624	Institute for Local Government	5,750.00
1589050	Malebe TV	9,916.04
1589048	Mavuso PP	12,275.00
1589046	Mohale SD	11,275.15
1589049	Ramotshwane ME	34,237.28
	Outstanding Metro Claims	83,309,658.00
	TOTAL	83,518,512.88

All other long outstanding amounts are being monitored closely, and ongoing communication is made with debtors to recover what is being owed to JRA.

Section 7: Pending Litigations and Possible Liabilities

Below are the JRA's pending litigations and possible liabilities.

Month	Letter of Demand	Normal Claims	Summons	Total	Total amount claimed (R)
October 2025	50	6	3	59	R15 281,826.19
November 2025	28	8	4	40	R9 225,358.40
December 2025	19	8	1	28	R467,966.58

Total amount for 2nd quarter: R R24 975,151.17

Litigation area	Total number of cases
Contractual disputes	1
Delict (damages)	0
Labour (review applications)	N/A
Others (restoration of access to a road)	1
Property	1
Letters of Demand	6

Section 9: Statement on Amounts Owed

Table: 9.1: Amounts Owed by and to Government Departments and Public Entities

Name	Amount (R)
Department of Road and Transport	19,587,788.24
Industrial Development Corporation	61,500.00
Total	19,649,288.24

CHAPTER 6: INTERNAL AND EXTERNAL AUDIT FINDINGS

Section 1: Progress on Internal Audit Plan

As at 31 December 2025, 80% (8 of 10) of the projects planned for the quarter were completed.

Section 2: Progress on Resolution of Internal Audit Findings

Internal Audit monitored a total of 98 findings during the quarter. Of these, 33 findings were resolved by Management, leaving 65 outstanding, representing a 34% resolution rate for the quarter. In the preceding quarter, 53 findings were monitored, with 14 resolved and 39 outstanding. A further 59 findings became due and were added in Q2, increasing the monitored total to 98. Cumulatively, Management has resolved 33 findings during Q2, resulting in a 42% year-to-date resolution rate.

Remedial Actions undertaken by Management to address the non-achievement

Management remains responsible for implementing corrective actions to address audit findings, with ongoing collaboration with Internal Audit to ensure effective tracking and reporting. Audit findings are monitored as a standing agenda item at Executive Management Team meetings, providing continuous oversight. In addition, monthly and quarterly reports are submitted to the City and the Audit and Finance Committee, respectively, to strengthen accountability. Internal Audit also tracks both AGSA and Internal Audit findings on a monthly basis.

Additional Actions by Internal Audit

Internal Audit undertakes additional actions to support Management in implementing corrective measures. These include conducting root cause analyses to identify underlying causes of recurring audit findings and to assess the feasibility of management's proposed corrective actions and timelines. Internal Audit also ensures clear accountability by verifying that responsibility for each finding is assigned to designated officials, with defined timelines, milestones, and adequate resources, including budget and technology, to support effective resolution.

Section 3: Progress on the Resolution of Auditor General Findings

The table below shows that;

- A total of 8 audit findings were due during the first quarter.
- 6 findings were successfully resolved, resulting in a 75% resolution rate.
- All Other Important Matters were fully resolved (100%).
- Administrative matters achieved a 50% resolution rate, with one finding still outstanding.
- The single finding related to matters affecting the audit report remains unresolved and continues to be monitored.

Overall, the results reflect progress in addressing due findings, with focused attention required on the remaining unresolved items.

Description	Total number of findings	Resolved (July – December 2025)	Unresolved	% Resolved	% Unresolved
Matters affecting the audit report	1	0	1	0%	100%
Other important Matters	5	5	0	100%	0%
Administrative matters	2	1	1	50%	50%
Total	8	6	2	75%	25%

6.3.1.1. 2024/25 AG Repeat Findings

A total of five repeat audit findings were recorded. One finding was resolved, resulting in a 20% resolution rate, while four repeat findings remained outstanding at the end of the quarter.

Section 4: Overall State of Internal Controls

The overall conclusion of the state of internal controls based on the following audits completed from the 1st of July 2025 to 31 December 2025 is that controls are adequate but ineffective to provide reasonable assurance that JRA objectives will be achieved:

Results Of The Overall Audits Completed During 2025/26 Financial Year

Name Audit Area	Department	Date Completed	Opinion Expressed	Original Rating	Rating (Only Applicable to follow up audits)
Interim Financial Statement Review	Finance	July 2025	Adequate but ineffective		N/A
Annual Financial Statement Audit	Finance	August 2025	Adequate but ineffective		N/A
Contract Management Follow-Up	Finance (CMU)	August 2025	Adequate but ineffective		
Contract Development Follow-Up	PGIT (Legal)	August 2025	Adequate and effective		
Facilities management Follow-Up	Corporate Services	September 2025	Adequate but ineffective		
Probity Audits Q1, Q2	Finance (SCM)	September 2025	Adequate but ineffective		N/A

Name Audit Area	Department	Date Completed	Opinion Expressed	Original Rating	Rating (Only Applicable to follow up audits)
RFQ closing process Q1,Q2	Finance	August 2024	Adequate and effective		N/A
Bids closing process Q1,Q2	Finance	August 2024	Adequate and effective		N/A
Performance Bonus Review Q1,Q2	Corporate Services	September 2025	Adequate and effective		N/A
Expenditure Management and Accounts Payable	Finance	June 2025	Adequate but ineffective		
Asphalt And Waste Management Report	Regional Operations	November 2025	Adequate but ineffective		N/A
Road Infrastructure Maintenance Follow-Up	Regional Operations	October 2025	Adequate but ineffective		N/A
Traffic Signals Follow-Up	Mobility and Freight	October 2025	Adequate but ineffective		
Q4 Performance Information Audit	PGIT	November 2025	Adequate but ineffective		N/A
Risk Management Audit	PGIT	November 2025	Adequate but ineffective		N/A
Information Security Audit	PGIT	December 2025	Inadequate but ineffective		N/A
Capex Projects Physical Verification	ID	November 2025	Adequate but ineffective		
Employee Physical Verification	Corporate Services	December 2025	Adequate but ineffective		
Overtime Management Audit	Corporate Services	December 2025	Adequate but ineffective		
Revenue Management Audit	Finance	December 2025	Adequate but ineffective		

ANNEXURES

Annexure A: Board Fees Schedule

Committees	Fees Per Sitting
Board or Group Advisory Committee Chairperson Fee	R16 720
Board or Group Advisory Committee Member Fee	R12 540
Chairperson of an ME Audit and Risk Committee And When Attending GAC Meeting	R10 450
Ordinary Member of Audit and Risk Committee	R8 360
Chairperson of Remuneration and Human Resources and Social Ethics Committee	R10 450
Ordinary Member of Remuneration and Human Resources and Social Ethics Committee	R8 360
Chairperson of Service Delivery Committee	R10 450
Ordinary Member of Service Delivery Committee	R8 360

Annexure B: JRA CAPEX Report

PROJECT NUMBER	PROJECT DESCRIPTION	SOURCE OF FUNDING	ORIGINAL BUDGET	ACTUAL EXPENDITURE	OPEN COMMITMENTS	ACCRUALS	YTD EXPENDITURE	BUDGET VARIANCE	ACTUAL EXPENDITURE %	YTD EXPENDITURE %
70592026.24100.301	Remote Monitoring	EFF	1,005,000	981,238	1,677		982,915	22,085	98%	98%
70072026.24100.307	Tarring of Gravel Roads: Orange Farm and Surrounding Areas	OTHER	50,000,000	47,579,079			47,579,079	2,420,921	95%	95%
70632026.24100.301	Upgrading Controllers and Phasing	EFF	2,187,500	2,059,759	106,793		2,166,552	20,948	94%	99%
70602026.24100.307	SARTSM	OTHER	2,700,000	2,380,023	254,118		2,634,141	65,859	88%	98%
70352026.24100.307	Conversion of Open Drains Orange Farm	OTHER	15,000,000	12,739,376			12,739,376	2,260,624	85%	85%
71282026.24100.307	Traffic Signal Infrastructure	OTHER	22,350,000	18,050,516	3,754,282		21,804,798	545,202	81%	98%
70542026.24100.301	Alternative Power Sources (UPS)	EFF	4,650,000	3,689,898	883,693		4,573,591	76,409	79%	98%
70562026.24100.301	Installation of New Warranted Traffic Signals	EFF	1,850,000	1,453,858	350,950		1,804,808	45,192	79%	98%
70012026.24100.301	Tarring of Gravel Roads: Diepsloot	EFF	10,000,000	7,766,645			7,766,645	2,233,355	78%	78%
70532026.24100.307	Alternative Power Sources (LED)	OTHER	1,340,000	986,301	321,013		1,307,314	32,686	74%	98%
71472026.24100.301	CCTV Cameras New Mobility Intelligent Transportation System	EFF	1,500,000	1,050,372	849		1,051,221	448,779	70%	70%
70662026.24100.301	Rehabilitation of open Channels	EFF	10,000,000	6,786,804			6,786,804	3,213,196	68%	68%
71232026.24100.307	Intelligent Transport Systems (ITS) Projects	OTHER	6,000,000	4,050,150	846,129		4,896,279	1,103,721	68%	82%
70622026.24100.301	Upgrading of Traffic Signal Controllers	EFF	6,700,000	4,402,198	2,171,265		6,573,463	126,537	66%	98%
71182026.24100.301	Tarring of gravel roads: Ivory Park wards 77, 133, 80	EFF	20,000,000	12,493,762			12,493,762	7,506,238	62%	62%
70582026.24100.307	Re-cabling of Traffic Signals	OTHER	4,700,000	2,743,060	1,842,295		4,585,355	114,645	58%	98%
71352026.24100.307	Lillian Ngoyi Region F	OTHER	110,000,000	62,034,018	864,343	225,000	63,123,360	46,876,640	56%	57%
70152026.24100.307	Bridge Rehabilitation	OTHER	63,600,000	35,603,993		2,292,459	37,896,452	25,703,548	56%	60%
70972026.24100.307	Tarring of Gravel Roads: City Wide	OTHER	68,000,000	35,084,169		11,161,430	46,245,599	21,754,401	52%	68%
70472026.24100.307	Emergency, Critical and Urgent Depot Stormwater Improvement	OTHER	61,743,593	31,341,187		44,660	31,385,847	30,357,746	51%	51%
70712026.24100.307	Resurfacing of Roads	OTHER	142,896,657	71,088,461		3,245,716	74,334,177	68,562,480	50%	52%
70352026.24100.301	Conversion of Open Drains Orange Farm	EFF	15,000,000	7,357,016			7,357,016	7,642,984	49%	49%

PROJECT NUMBER	PROJECT DESCRIPTION	SOURCE OF FUNDING	ORIGINAL BUDGET	ACTUAL EXPENDITURE	OPEN COMMITMENTS	ACCRUALS	YTD EXPENDITURE	BUDGET VARIANCE	ACTUAL EXPENDITURE %	YTD EXPENDITURE %
71272026.24100.301	Boundary Road (Eldorado) upgrades	EFF	3,000,000	991,380			991,380	2,008,620	33%	33%
70332026.24100.307	Conversion of Open Drains Bram Fischerville	OTHER	15,000,000	4,711,079			4,711,079	10,288,921	31%	31%
70162026.24100.307	Bridges: Visual Condition Assessment and Detailed Bridge Design	OTHER	6,700,000	1,478,743		634,007	2,112,750	4,587,250	22%	32%
70372026.24100.307	Operational Capital: Depot Upgrading and Standardization	OTHER	6,700,000	1,244,412	996,284		2,240,696	4,459,304	19%	33%
71162026.24100.307	Stormwater Conversion: wards 78, 79, 133	OTHER	20,000,000	2,493,215		1,483,855	3,977,071	16,022,929	12%	20%
70982026.24100.301	Rehabilitation of aged and incapacitated stormwater	EFF	2,680,000	282,311			282,311	2,397,689	11%	11%
70752026.24100.307	Spencer Road New Link New Roads FLEURHOF	OTHER	1,500,000	157,194			157,194	1,342,806	10%	10%
70242026.24100.307	Emergency Stormwater Improvement PROTEA GLEN	OTHER	5,700,000	426,888			426,888	5,273,112	7%	7%
70242026.24100.301	Emergency Stormwater Improvement PROTEA GLEN	EFF	9,300,000	626,731			626,731	8,673,269	7%	7%
70172026.24100.307	Bridges: Replacement of bridges Spring Road Bridge	OTHER	66,900,000	4,349,474		3,408,711	7,758,186	59,141,814	7%	12%
70712026.24100.301	Resurfacing of Roads	EFF	1,050,000	64,801			64,801	985,199	6%	6%
70102026.24100.307	Tarring of Gravel Roads: Kaalfontein	OTHER	5,000,000	295,282			295,282	4,704,718	6%	6%
70392026.24100.307	Operational Capital	OTHER	6,700,000	360,450			360,450	6,339,551	5%	5%
71492026.24100.307	NALEDI Ward 13 and 14 Naledi/Ndaba Bridge	OTHER	4,650,000	195,424			195,424	4,454,576	4%	4%
71522026.24100.301	Ward 17-Klipton and Eldorado Park	EFF	3,000,000	60,492			60,492	2,939,508	2%	2%
71242026.24100.301	Traffic Management Centre	EFF	3,350,000		204,153		204,153	3,145,847	0%	6%
70062026.24100.301	Tarring of Gravel Roads: Mayibuye	EFF	10,000,000				-	10,000,000	0%	0%
70092026.24100.301	Tarring of Gravel Roads: Tshepisong	EFF	20,000,000				-	20,000,000	0%	0%
70302026.24100.307	Klein Jukskei Catchment: Bond Stream Relief System, Ferndale	OTHER	9,300,000				-	9,300,000	0%	0%
70332026.24100.301	Conversion of Open Drains Bram Fischerville	EFF	10,000,000				-	10,000,000	0%	0%
70452026.24100.301	Integrated Roads and Stormwater	EFF	4,690,000				-	4,690,000	0%	0%
70462026.24100.301	Investigate and Design Future Schemes	EFF	5,000,000				-	5,000,000	0%	0%
70512026.24100.307	Geometric Improvements	OTHER	2,010,000				-	2,010,000	0%	0%

PROJECT NUMBER	PROJECT DESCRIPTION	SOURCE OF FUNDING	ORIGINAL BUDGET	ACTUAL EXPENDITURE	OPEN COMMITMENTS	ACCRUALS	YTD EXPENDITURE	BUDGET VARIANCE	ACTUAL EXPENDITURE %	YTD EXPENDITURE %
70642026.24100.301	GIS Improvement	EFF	360,052				-	360,052	0%	0%
70812026.24100.301	Richards Drive Upgrading Renewal Roads HALFWAY HOUSE EXT.95	EFF	1,650,000				-	1,650,000	0%	0%
70942026.24100.301	Flooding intervention and alleviation	EFF	3,350,000				-	3,350,000	0%	0%
70992026.24100.301	River rehabilitation and erosion	EFF	2,680,000				-	2,680,000	0%	0%
71152026.24100.301	Upgrade roads Klipfonteinview	EFF	5,000,000				-	5,000,000	0%	0%
71172026.24100.301	Capital Equipment New Plant and Equipment	EFF	14,880,000				-	14,880,000	0%	0%
71262026.24100.301	RAMS-Visual Condition Assessments	EFF	4,435,933				-	4,435,933	0%	0%
71482026.24100.307	Rehabilitation of Sinkholes	OTHER	10,000,000				-	10,000,000	0%	0%
71492026.24100.301	NALEDI Ward 13 and 14 Naledi/Ndaba Bridge	EFF	15,000,000				-	15,000,000	0%	0%
71502026.24100.301	Ward 42 road in Soweto Tarring	EFF	2,000,000				-	2,000,000	0%	0%
71512026.24100.301	Ward 105 and 49-London	EFF	10,000,000				-	10,000,000	0%	0%
71532026.24100.301	Ward 80 Lord Khanyile-Busy Corner	EFF	3,000,000				-	3,000,000	0%	0%
Total			915,808,735	389,459,759	12,597,843	22,495,839	424,553,441	491,255,294	43%	46%

Annexure C: JRA Statement of Financial Position

		2025 December R'000	2025 June R'000
Assets	Notes		
Current assets		1,780,156	1,932,077
Inventories	5	170,539	87,530
Loan to Shareholders - Sweeping	15	-	-
Trade and other receivables	4	1,586,485	1,331,601
Intercompany account	12	-	-
Cash and Cash Equivalents	6	23,132	512,946
Non-Current assets		267,470	285,736
Property plant and equipment	1	212,048	230,047
Intangible Assets	2	1,382	1,650
Employee benefits investment	3	54,040	54,040
Total Assets		2,047,626	2,217,813
Liabilities			
Current Liabilities		2,203,677	2,297,833
Trade and other payables	10	1,815,520	1,484,901
Finance lease obligations	9	(0)	(0)
Operating Lease Liability	16	11,818	11,818
Loan from Shareholders - Overdraft		160,230	535,674
Taxation	14	-	-
Provisions	12	216,108	265,439
Non-Current Liabilities		34,449	36,485
Employee benefit obligations	8	34,449	36,485
Finance lease obligations	11	-	-
Total Liabilities		2,238,126	2,334,318
NET ASSETS		(190,500)	(116,504)
Equity		(190,500)	(116,504)
Contribution from owner	7	489,523	489,523
Accumulated Surplus (Loss)		-680,023	(606,027)

Annexure D: JRA Detailed Income Statement

Description	Current Quarter Actual Amount	Current Quarter Budget Amount	Variance Amount	Variance %	YTD Actual Current Period	YTD Budget Amount	YTD Variance Amt	YTD Variance %	Prior Year's Actual Amount	Current Year Total Approved Budget
Rent Received	2,453	1,399	1,054	75.34%	3,583	2,798	785	28.07%	2,038	5,596
COJ Maintenance	366,400	366,400	-	0.00%	732,800	732,800	-	0.00%	697,301	1,465,600
Management Fees	4,250	7,134	-2,884	-40.43%	6,118	14,269	-8,151	-57.12%	5,868	28,538
TOTAL REVENUE	373,103	374,933	-1,830		742,501	749,867	-7,366		705,207	1,499,734
DIRECT COSTS										
Material Cost	32,001	27,903	-4,098	-14.69%	59,602	55,806	-3,796	-6.80%	37,370	111,613
Extra Items	-22,943	-	22,943	100.00%	-22,943	-	22,943	100.00%	-4,127	-
Stock Adjustment	-4,674	-	4,674	100.00%	-3	-	3	100.00%	3,516	-
TOTAL DIRECT COST	4,383	27,903	23,520		36,656	55,806	19,151		36,758	111,613
GROSS PROFIT	368,720	347,030	21,689		705,846	694,061	11,785		668,448	1,388,121
OTHER INCOME										
Recoveries Telephone Calls, Faxes	-	-	-	0.00%	-	-	-	0.00%	0	-
Asphalt Sales	85	32,750	-32,665	-99.74%	173	65,500	-65,327	-99.74%	-	131,000
Interest from Intercompanies	-1,410	6,300	-7,709	-122.38%	-10,525	12,599	-23,124	-183.54%	-6,109	25,198
Interest Received Debtor	10	-	10	0.00%	17	-	17	100.00%	156	-
Interest Received from Bank	9	-	9	100.00%	15	-	15	100.00%	-	-
Jobbings	4,115	3,759	356	9.47%	5,466	7,517	-2,052	-27.29%	5,125	15,035
Reinstatements	4,600	-	4,600	100.00%	3,988	-	3,988	100.00%	8,822	-
Road Closures	246	-	246	0.00%	410	-	410	100.00%	363	-
DCP Testing	108	69	39	100.00%	108	138	-30	-22.01%	18	277
Gautrans Maintenance	1,716	-	1,716	0.00%	3,316	-	3,316	100.00%	-	-
Insurance Claims	-	-	-	0.00%	-	-	-	0.00%	3,497	-
Sundry Income	1	122	-120	-98.82%	120	243	-123	-50.79%	3,058	486

Training Income	357	-	357	100.00%	357	-	357	100.00%	-	-
TOTAL OTHER INCOME	9,837	42,999	-33,161		3,444	85,998	-82,554		14,931	171,995
INDIRECT COSTS										
Advertising	39	100	62	61.37%	154	200	47	23.22%	229	401
Auditors Remuneration Fees	2,917	1,619	-1,298	-80.15%	2,917	3,239	321	9.92%	4,374	6,477
Bank Charges	8	19	11	55.73%	16	38	22	57.35%	28	76
Finance Charges	-	412	412	100.00%	-	825	825	100.00%	-	1,649
Consulting Fees	9,620	4,163	-5,457	-131.09%	11,097	8,326	-2,771	-33.29%	2,692	16,652
Contractors JRA	-5,412	8,443	13,856	164.10%	-19,518	16,887	36,405	215.58%	17,513	33,773
Contractors Outsourced	6,167	5,007	-1,160	-23.17%	7,946	10,014	2,068	20.65%	2,154	20,028
Consumables	2,516	1,968	-548	-27.86%	2,780	3,936	1,156	29.36%	6,851	7,872
Depreciation	9,135	17,209	8,075	46.92%	18,269	34,419	16,149	46.92%	16,689	68,837
Directors Emoluments	560	555	-6	-1.02%	1,034	1,109	75	6.79%	1,358	2,218
Entertainment	-	26	26	100.00%	8	52	45	85.42%	62	105
Corporate Promotions	371	291	-80	-27.30%	914	583	-331	-56.77%	1,090	1,166
Insurance	1,421	3,294	1,873	56.86%	6,624	6,587	-37	-0.56%	10,302	13,174
Interest and Penalties	1	-	-1	-100.00%	7	-	-7	-100.00%	0	-
Intercompany Charges	-	1,237	1,237	100.00%	-	2,474	2,474	100.00%	-	4,947
Leased Contract Services	15,780	24,569	8,789	35.77%	65,319	49,139	-16,181	-32.93%	65,684	98,277
Offices(Parking)	2,034	1,184	-850	-71.80%	2,364	2,368	4	0.18%	2,325	4,737
Office Building(Rental)	8,550	5,664	-2,887	-50.97%	15,561	11,327	-4,234	-37.38%	13,056	22,655
Office Equipment	541	609	68	11.11%	1,353	1,217	-135	-11.11%	2,705	2,435
Legal Expenses	4,113	1,486	-2,627	-176.75%	4,476	2,972	-1,504	-50.60%	3,463	5,944
Licenses	599	929	330	35.54%	2,663	1,858	-805	-43.33%	1,056	3,716
Magazines, Books and Periodicals	-	100	100	100.00%	-	200	200	100.00%	154	400
Municipal Services Charges	11,813	6,876	-4,937	-71.80%	16,078	13,752	-2,327	-16.92%	8,857	27,504
Stationary	-	322	322	100.00%	-	643	643	100.00%	-	1,286
Printing	17	200	183	91.68%	396	400	4	0.99%	570	800
Repairs & Maintenance	1,496	2,425	929	38.31%	2,791	4,850	2,059	42.45%	2,860	9,701
Strategic Planning	13	28	15	53.84%	13	57	44	76.92%	50	113
Employee & Related Costs	284,540	281,306	-3,234	-1.15%	600,684	562,612	-38,072	-6.77%	517,255	1,125,224
Interns Stipend Cost	-	-	-	0.00%	-	-	-	0.00%	-	-

Placement Fees	-	11	11	100.00%	-	22	22	100.00%	-	44
Employee Wellness	32	66	34	51.35%	109	132	23	17.28%	46	263
Security	7,295	2,773	-4,522	-163.06%	12,322	5,546	-6,776	-122.18%	10,698	11,092
Telephone & Fax	-	-	-	0.00%	-	-	-	0.00%	-	-
Training	670	1,019	348	34.19%	798	2,038	1,240	60.85%	502	4,075
Conferences and Seminars	81	70	-10	-14.62%	232	141	-91	-64.66%	90	281
Travel Expenses	41	49	9	17.92%	198	99	-99	-100.00%	138	198
Data Services	7,049	5,806	-1,243	-21.41%	11,362	11,612	250	2.15%	10,676	23,224
Realised Gains/Losses	1,354	0	-1,354	1805768.00%	1,354	0	-1,354	-902834.00%	578	0
TOTAL INDIRECT COST	373,361	379,836	6,475		770,322	759,673	-10,650		704,103	1,519,346
OPERATING PROFIT	5,196	10,193	-4,997		-61,033	20,385	-81,418		-20,724	40,771
INTERNAL TRANSFERS										
Interest (Sweeping Account)	-	-	-	0.00%	-	-	-	0.00%	-	-
Interest on Shareholders Loans	-	-	-	0.00%	-	-	-	0.00%	-	-
Interest on Mirror Conduit Loans	-	-	-	0.00%	-	-	-	0.00%	-	-
Internal Charges (ME's)	-	-	-	0.00%	-	-	-	0.00%	-	-
Consulting Fees	-	169	169	100.00%	100	339	239	70.46%	92	677
Employee & Related Costs	167	2,122	1,955	92.13%	713	4,243	3,530	83.20%	7,339	8,486
Intercompany Charges	3,013	2,260	-753	-33.33%	3,013	4,519	1,506	33.33%	3,553	9,038
Hospitality & Events	-	230	230	100.00%	-	460	460	100.00%	-	920
Leased Contract Services	889	2,985	2,096	70.22%	1,519	5,970	4,451	74.55%	5,369	11,940
Legal Expenses	2,229	1,865	-364	-19.51%	5,603	3,730	-1,873	-50.22%	5,602	7,459
Printing	-	26	26	100.00%	-	52	52	100.00%	-	104
Training	-	79	79	100.00%	-	159	159	100.00%	-	317
Internal Charges (Core)	-	-	-	0.00%	-	-	-	0.00%	-	-
Internal CoJ Billing (Utilities)	-	-	-	0.00%	-	-	-	0.00%	-	-
Operating Grants (Subsidies to ME's)	-	-	-	0.00%	-	-	-	0.00%	-	-
TOTAL INTERNAL TRANSFERS	6,297	9,735	3,438		10,947	19,471	8,523		21,955	38,941
NET INCOME BEFORE TAX	-1,101	457	-1,558		-71,980	915	-72,895		-42,678	1,830
NET INCOME AFTER TAX	-1,101	-0	-1,101		-71,980	-0	-71,980		-42,678	-0

Annexure E: Notes to Financial Statements

			2025 December R'000	2025 June R'000
1. Property, plant and equipment	Cost R'000	Accumulated Depreciation R'000	Carrying Value R'000	
Buildings	106,742	27,307	79,435	80,382
Land	14,222	-	14,222	14,222
IT Equipment	63,363	56,340	7,023	11,269
Furniture and Fittings	15,864	13,538	2,326	2,764
Office Equipment	4,786	3,524	1,262	1,671
Motor Vehicles	63,007	51,802	11,205	21,035
Tools and Loose Gear	181	98	84	100
Assets (WIP)	55,115		55,115	55,115
Infrastructure & Electrical	30,427	2,344	28,083	28,865
Machinery & Equipment	11,228	179	11,049	11,109
Plant and Machinery	131,508	129,265	2,244	3,519
Total	496,445	284,396	212,048	230,050

2. Intangible Assets	Cost R'000	Accumulated Depreciation R'000	Carrying Value R'000	
Assets (WIP)	-		-	-
Computer Software	14,836	13,453	1,382	1,650
Total	14,836	13,453	1,382	1,650

3. Employee benefit investment

Post-retirement Gratuity		13,241	13,241
Post-retirement Housing Subsidy		-	-
Post-retirement Medical Aid		40,799	40,799
		54,040	54,040

4. Trade and other receivables

Trade Debtors		140,479	310,419
Related party Receivables		1,081,079	953,739
Prepayments		406	186

Provision for bad debts	(83,519)	-83,519
Electricity Deposit	1,030	1,014
Rental Deposit	7,087	7,087
Interest Receivable	-	3,056
SARS Payments	0	0
Unclaimed Amounts	438,035	137,661
Staff debtors - subsidised education	1,883	1,951
Sundry Debtors	6	6
CoJ - Capital expenditure	-	-
JRA - COJ Dev Control Transfer	-	-
Loans to shareholders (Sweeping account)	-	-
	<u>1,586,485</u>	<u>1,331,601</u>
5. Inventories		
Raw Materials	97,952	65,924
Consumables	-	-
Disclosure of Consumables	-	-
Manufactured Products	75,213	24,231
Impairments	(2,626)	(2,626)
	<u>170,539</u>	<u>87,530</u>
6. Bank Balances and Cash		
Petty Cash	-	-
JPC Portfolio (Bank)	-	-
Inter-company account	-	-
Absa Bank Accounts	-	-
Standard Bank Accounts	0	0
Standard Bank Accounts - Asphalt Acc	591	377
Developers contribution	22,541	512,569
	<u>23,132</u>	<u>512,946</u>
7. Contribution from Owner		
Share Capital	1	1
Shareholders Loan	489,522	489,522
	<u>489,523</u>	<u>489,523</u>
8. Employee Benefit Obligation		
Gratuity Liabilities	21,794	23,830
Post-retirement medical aid	7,865	7,865
Post-retirement housing subsidy	4,790	4,790
	<u>34,449</u>	<u>36,485</u>

9. Finance Lease Obligation

Current lease portion	(0)	-0
	<u>(0)</u>	<u>-0</u>

10. Trade and other payables

Trade Payables	44,778	423,619
Capital Creditors and Accruals	(115)	3,663
Leave Pay Provision	77,250	58,174
Retention	148,658	132,253
Related Party Creditors	960,643	220,735
Payroll Accruals	842	6,618
Value Added Tax (VAT)	15,814	15,446
Prepayments	0	0
Other Creditors	44,020	54,206
Debtors Reclassification	-	-
SARS - Tax Payments	-	-
Bonus Provision: 13th Cheque	11,864	29,922
Capitalizing Interest	511,765	540,265
	<u>1,815,520</u>	<u>1,484,901</u>

12. Provision

Legal Claim Provision	203,450	203,450
Other Provisions	-	-
Bonus Provision: Performance	12,659	61,990
	<u>216,108</u>	<u>265,439</u>

13. Cash Utilised in Operations

Surplus / (Deficit) before taxation	(71,980)	-69,720
Adjusted for:		
Depreciation and amortisation	18,269	36,506
Interest Earned	(10,493)	2,007
Gain on sales of property, plant and equipment	-	-
Finance Costs	-	-
Decrease in loan to shareholder	-	-
Other non-cash movements	-	-
Movement in provisions	(49,331)	530
Movement in Tax Receivable and Payable	-	-
Movement in shareholders loan	-	43,414
Assets purchased through finance lease	-	-
Movement in retirement benefit obligation	(2,036)	-1,583
Changes in Working Capital		

Receivables from Exchange Transactions		
Inventories	(83,009)	(22,855)
Trade and other receivables	(254,884)	(661,269)
Other Receivables from Non-Exchange Transaction		
Trade and other payables	<u>(44,825)</u>	<u>614,654</u>
	<u>(498,288)</u>	<u>(58,315)</u>

14. Taxation

-

15. Sweeping Account Balance

(160,230)

-535,674

16. Operating Lease Liability

11,818

11,818

Annexure F: Performance Against Service Standards

KPI No.	Core Service	Service Level Standard Target	Q2 Actual	Reasons for non-achievement	Mitigations
1	% of damaged / missing road barriers or guardrails repaired from when a valid call is logged:	40% within 14 days	Total calls received within the period: 924.4 Total repaired within 14 days: 765.4 (82.80%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 799.4 (86.48%)	Target Achieved	N/A
		80% within 30 days	Total repaired within 30 days: 829.4 (89.72%)	Target Achieved	N/A
2	% of blocked Storm water kerb inlets (KI's) repaired from when a valid call is logged.	40% within 14 days	Total calls received within the period: 760 Total repaired within 14 days: 687 (90.39%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 690 (90.79%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 702 (92.37%)	Target Achieved	N/A
3	% of missing JRA manhole covers made safe and replaced after a valid call is logged.	40% within 14 days	Total calls received within the period: 36 Total repaired within 14 days: 36 (100%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 36 (100%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 36 (100%)	Target Achieved	N/A
4	% of reported damaged / missing regulatory road traffic signs replaced or repaired from the time when a valid call is logged	40% within 14 days	Total calls received within the period: 410 Total repaired within 14 days: 401 (97.80%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 403 (98.29%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 403 (98.29%)	Target Achieved	N/A
5	% of reported potholes repaired from time of recording of a genuine pothole by the JRA from all Phakama, Hotline, Urban Regional Inspectors (from Regional Directors Office)	40% within 14 days	Total received within the period: 8992.7 Total repaired within 14 days: 7557 (84.03%)	Target Achieved	N/A
		60% within 20 days	Total repaired within 20 days: 7935 (89.24%)	Target Achieved	N/A
		80% within 30 days.	Total repaired within 30 days: 8072 (89.76%)	Target Achieved	N/A
6	% of reported faulty traffic signals within 24 working hours	40% within 24 hours	Total received within the period: 83 Total completed within 24 hrs. 68 (81.93%)	Target Achieved	N/A
		60% within 48	Total completed within 48 hrs.: 76	Target	N/A

KPI No.	Core Service	Service Level Standard Target	Q2 Actual	Reasons for non-achievement	Mitigations
		hours	(91.56%)	Achieved	
		80% within 7 days	Total completed within 7 days: 83 (100%)	Target Achieved	N/A
7	% of reported damaged traffic signal poles repaired/replaced from when a valid call is logged	40% within 14 days	Total received within the period: 03 Total completed within 14 days: 03 (100%)	Target Achieved	N/A
		60% within 20 days	Total completed within 20 days: 03 (100%)	Target Achieved	N/A
		80% within 30 days	Total completed within 30 days: 03 (100%)	Target Achieved	N/A