

## **JOBURG CITY THEATRES:**

---

### **JOBURG CITY THEATRES (JCT) 2023/24**

#### **MID-YEAR REPORT:**

#### **JULY TO DECEMBER 2023**

### **1. STRATEGIC THRUST**

Well governed and managed City.

### **2. OBJECTIVE**

#### **The objective of this report is:**

To seek approval and to provide the shareholder with the progress on performance made by Joburg City Theatres (JCT) for the first six months of the 2023/24 financial year against the approved Business Plan in compliance with Section 41 of the Municipal Systems Act 32 of 2000.

### **3. BACKGROUND**

This report represents the three theatres operating as the Municipal Entity of the City of Joburg: Joburg City Theatres outlining the Mid-Year performance of the company for the 2023/24 financial year as per the approved 2023/24 Business Plan. Executive Management has overall supervision of operational functions of the company in line with its strategic objectives and the CoJ's strategic priorities as outlined in the Integrated Development Plan (IDP) and advising the Board of Directors and shareholder that these duties are being well managed.

The Performance Assessment Report is a tool for the Mayoral Committee and Council to monitor the performance of JCT through the Municipal Manager, and to monitor the performance of JCT in a specific financial year.

This enables the Executive Mayor and Municipal Manager to be proactive and take remedial steps in the event of poor performance. Performance Assessment Reports aim to ensure that JCT's senior managers are problem-solvers who routinely look out for unanticipated problems and resolve them as soon as possible.

### **4. EXECUTIVE SUMMARY**

As contained in the Local Government: Municipal Finance Management Act No.56 of 2003, Chapter 8 on roles of municipal officials, section 72, the Accounting Officer must assess quarterly performance of the municipality and this is required to be submitted to the Mayor, National and Provincial Treasuries.

Therefore, JCT's Mid-Year performance assessment is compiled as determined in section 72 of the Municipal Finance Management Act. The assessment is for the period 01 July to 31 December 2023 where actual financial and non-financial performance of the municipality is monitored. Performance Assessment Report and supporting tables of Joburg City Theatres are prepared in accordance with MFMA Circular 13 and the Municipal Budget and Reporting Regulations.

**JOBURG CITY THEATRES:**

---

JCT has a total of 28 KPIs on the Corporate Scorecard. However, for the period under review 26 KPIs were measured. The overall score for the second Quarter is **98% achievement**; and **74% achievement** on capital expenditure budget against the target of 30%.

A balance of diverse programme offerings characterised the period under review - a mix of music, theatre, dance, educational programmes, and events were presented. New audiences have been attracted, while maintaining good relations with regular patrons.

The artistic programming at JCT between July to December 2023 was themed around Mandela month, Women’s month, Heritage month, Cancer Awareness month, Disability month, 16 days of activism against gender-based violence and World Aids Day.

For the period under review JCT presented Joburg Ballet’s beautiful productions of **Don Quixote** and the **Nutcracker**- with both with sold out performances. Joburg Theatre hosted the **21<sup>st</sup> Annual Nelson Mandela lecture** on the Mandela stage. The Peoples Theatre hosted 2 delightful children’s productions –**Story Book Theatre and Shrek**. The annual Janice Honeyman **pantomime** once again dominated the Mandela stage. **Festival of Lights** once again took place at the Joburg Zoo, in conjunction with JCPZ and City Power. Roodepoort Theatre presented **Westside Comedy and B-sharp music academy**. Soweto Theatre hosted its regular annual events including the **New Year’s Eve countdown**. Lastly, **Youth and Community Development** programmes continued across all three theatres.

Strategic priorities set by the City of Johannesburg, as the sole shareholder of Joburg City Theatres, guide the planning of the company, and significant attention is to ensure that these priorities are implemented in the form of measurable targets and deliverables. The strategic priorities of the City of Johannesburg are contained in the Integrated Development Plan (IDP) of the City of Johannesburg.

Below is the 2023/24 Mid-Year Performance of service delivery programmes and financial performance.

**Summary of scorecard performance for 2023/24**

KPI NO#	Description of KPI	1 <sup>st</sup> Quarter		Midyear	
		Target	Actual	Target	Actual
1.	Percentage achievement on Service Level Standards (Non-Cumulative)	100%	100%	100%	100%
2.	Number of Arts and Culture festivals and themed productions held. (in-house production and through partnerships)	12	14	20	35

**JOBURG CITY THEATRES:**

KPI NO#	Description of KPI	1 <sup>st</sup> Quarter		Midyear	
		Target	Actual	Target	Actual
3.	Number of youth and community development, and emerging voices, supported through partnerships.	15	15	30	30
4.	Number of Joburg Ballet seasons	1	1	2	3
5.	Number of Philharmonic Orchestra seasons	1	1	2	2
6.	Number of JCT productions touring nationally/ internationally	1	1	-	-
7.	Number of annual legends	-	1	1	1
8.	Number of Expanded Public Works programmes (EPWP) work opportunities created at JCT	50	50	150	189
9.	Number of youths attending arts programmes	300	373	300	331
10.	Number of attendees	40, 000	45, 435	120,000	131, 770
11.	Number of school set work programmes implemented	1	1	-	-
12.	Number of city-wide integrated activations using the Mobile Theatre Truck	2	2	4	4
13.	Proportion of earned income against total revenue including subsidy	30% / 70% Earn revenue R16.961 million. Total revenue R56.345 million	25% / 75% Earn revenue R17,816 million. Total revenue R69,877 million	30% / 70% Earn revenue R34.125 million. Total revenue R112.693 million	32%/68% Earned Revenue R45 647 568 Total revenue R143 798 183.00
14.	Percentage spent on operating budget against approved operating budget	15%	24%	50%	53%
15.	Percentage spent on capital budget against approved capital budget.	10%	48%	30%	74%
16.	Repairs and maintenance as a percentage of property, plants, and equipment (Carrying values)	3%	4%	5%	12%

**JOBURG CITY THEATRES:**

KPI NO#	Description of KPI	1 <sup>st</sup> Quarter		Midyear	
		Target	Actual	Target	Actual
17.	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred	10%	100%	20%	100%
18.	Percentage of valid invoices paid within 30 days of invoice/statement date	100%	100%	100%	100%
19.	AGSA audit opinion	-	-	Unqualified with no material findings	Unqualified with no material findings
20.	Percentage of resolution of AGSA findings	10%	100%	30%	83%
21.	Percentage of resolution of Internal Audit (IA) findings	10%	93%	30%	97%
22.	Percentage of the strategic risk management action plans implemented.	10%	61%	30%	68%
23.	Percentage of predetermined objectives achieved.	-	-	85%	96%
24.	Number of SMME's Supported	50	116	150	161
25.	Percentage of procurement spend on SMME's against total procurement expenditure	30%	79%	30%	76%
26.	Percentage of procurement spend on BBBEE against total procurement expenditure	75%	89%	75%	86%
27.	Number of strategic partnerships created	5	8	15	15
28.	Percentage positive and neutral media coverage	≥80%	≥99.7%	≥80%	≥80%

**JOBURG CITY THEATRES:**

---

**Summary**

<b>Total number of KPIs</b>	<b>28</b>
<b>Total number of KPIs Not Measured</b>	<b>2</b>
<b>Total number of KPIs Measured</b>	<b>26</b>
<b>Number of Quarterly KPIs Achieved</b>	<b>26</b>
<b>Number of Quarterly KPIs Not Achieved</b>	<b>0</b>
<b>Total achieved constitutes</b>	<b>98%</b>

**3.1. SERVICE DELIVERY**

Despite the economic downturn which has a negative impact to the pockets of theatre goers thus ripple effect to ticket sales, the six months of the year has seen exciting programming for our patrons as usual. **Joburg Ballet’s Romeo and Juliet; Seussical JR; The night dubbed Pride Without Prejudice; The prestigious Basadi in Music Awards; The classic opera, TOSCA by Cape Town Opera; Golden Buzzer and a Tribute to Babsy Mlangeni** just to mention a few were presented in the 1<sup>st</sup> quarter of the year. The 2<sup>nd</sup> quarter of the year saw a diverse array of programming starting with **Gregory Maqoma** launch of his autobiography and celebrated his **50<sup>th</sup> birthday** on the Mandela Stage.

The remarkable dancer and choreographer Gregory Maqoma collaborated with master storyteller Mam Gcina Mhlophe to create an unforgettable storytelling experience for children. Together, these two exceptional artists brought Gregory's story, **The Joy Dancer**, to life with a performance that left a lasting impression on the young audience. The program was thoughtfully designed to engage children and included storytelling, a dance performance called **Cion: Cothoza** by talented artists from the Vuyani Dance Theatre outreach program, interactive singing, and a delightful surprise for each young attendee - a copy of **The Joy Dancer** to take home.

The Theatre hosted the deeply moving gathering of stars, musicians, renowned celebrities, and emerging talents during the **Basadi in Music Mental Wellness Day**. Conceived and organized by the awards' CEO, Hloni Modise-Matau, this therapeutic session provided a crucial platform for female artists to address and navigate the nuanced issues affecting their mental wellness within the creative sphere. This expressive session underscored the vital importance of mental health support within the creative community, acknowledging and addressing the unique challenges faced by artists. As the therapy session concluded, it marked a significant chapter in the ongoing efforts to prioritize mental well-being in the music industry. The Basadi in Music Awards stands as a beacon for honouring and uplifting female talent, creating a supportive environment that amplifies the diverse voices within the music ecosystem.

The **JOZI YOUTH DANCE/CBA** awards presented a night of unmatched entertainment and talent from Incredible dancers, 12 phenomenal choreographers, exquisite music, uplifting topics and a

## **JOBURG CITY THEATRES:**

celebration of South African talent and dance. The theatre drew the curtains out of this production with a huge smile.

Summertime is the chance to unwind, relax and watch unwrapped. RLT and friends presented their latest variety of show: **RLT UNWRAPPED**, a light-hearted romp on the boards as their talented dream team of RLT's Anita Herbst, Neil Margetts, Sylvia Nikolaoy, Graham Shirley, Katherine Slade, Stephen Slade and Oriela van der Walt, and special guests Hannah Jordaan, Jenáy Jordaan-Nichols, Caitlyn Livesey entertained the crowd with crazy comic sketches, mirthful monologues and marvellous musical moments.

Under the **Spotlight Jozi** theme, the audience had the amazing chance to fully immerse themselves in jazz. This concert carried on the tradition and raised South African jazz to new heights by showcasing outstanding local jazz performers recently coming to light.

The journey began with the acclaimed Dr. Nduduzo Makhathini, a talent who embodied the roles of teacher, village crier, historian, and jazz artist. Makhathini continuously captivated audiences with his soulful music, leaving an indelible mark on the hearts of those present. The concert featured a mesmerizing interplay between Dr. Nduduzo Makhathini and Mbuso Khoza, two distinguished musicians who seamlessly blended their talents to create a truly unforgettable experience. Their collaboration was a testament to the rich tapestry of South African jazz, reflecting the depth of musical prowess that has emerged in recent years.

**Seven Colours Sunday**, in partnership with the Soweto Wine Festivals, organized a remarkable gathering held in the forecourt. The event featured a diverse range of food, delightful music, and a social atmosphere, allowing attendees to acquire high-quality South African fashion brands, art, crafts, and home decor as they enjoyed wine and engaged in networking.

**Soweto Fashion week**- adorned the Soweto Theatre Complex with breathtaking aesthetics as it geared up for its presentation of established and emerging South African designers. This edition of the fashion week provided support to over 120 designers and involved the participation of 1000 runway models from across the African continent. The 12th edition of this event concluded on a Sunday, culminating in a celebration of South African design. For three days, the Soweto Theatre was a vibrant platform for local designers to engage and connect with potential clients.

**The Annual Miss Soweto pageant**- was held again this year, with its headline sponsor, White Star Super Maize Meal, reaffirming the importance of recognizing inner and outer beauty and providing a platform for uplifting and empowering young women. The pageant aims to offer opportunities for personal development and growth. This year, the crown was bestowed upon Queen Page, who hailed from Eldorado Park. Her exceptional qualities and achievements made her the deserving winner of the prestigious title. The event was honoured by the presence of Mr Leonard Sithole, the founder of the Miss Soweto Foundation, who has played a pivotal role in the success and growth of the pageant throughout the years. The Miss Soweto pageant continues to serve as a beacon of inspiration for young women, promoting self-confidence, community involvement, and personal growth. With the support of sponsors like White Star Super Maize Meal, the pageant remains a significant platform for empowering the youth and helping them realize their full potential.

**JOBURG CITY THEATRES:**

**Basadi ka Dituku** - Themed "*We will not be silenced,*" graced the JCT Mobile Theatre truck and utilized the Soweto Theatre precinct as its venue this year. The event uplifted and empowered women from diverse backgrounds by providing a platform to unite, celebrate achievements, share ideas, and enjoy each other's company through laughter, dancing, and food. It catalysed social cohesion and was a crucial avenue for women's empowerment. The lineup for this year featured talented artists and DJs, including renowned performers like Vusi Nova, Ayanda Ntanzu, Tabia, and Kitchen Mess, bringing excitement and entertainment to the event and creating a vibrant atmosphere. In addition to the lively performances, Basadi Ka Dituku forged partnerships with local radio station Jozi FM and Seven Colours Sunday, reflecting a shared commitment to women's empowerment.

**Summary of the 2023/24 Mid-Year Productions**

MID-YEAR IN-HOUSE / CO-PRODUCTIONS HELD		
	QUARTER 1	QUARTER 2
<b>JOBURG THEATRE</b>	Joburg Ballet's Romeo and Juliet Seussical JR Pride Without Prejudice Basadi in Music Awards TOSCA Saturday Night at the Palace Bolingo Gospel Concert Golden Buzzer The Johannesburg International Comedy Festival The Greatest Love of All The "Everything is Ximatsatsa The Mzansi Traditional & Cultural Music Awards Shakespeare Schools Festival South Africa (SSFSA), SEPTEMBER SUITE The Suit Concer-tized	Gregory Maqoma 50 Don Quixote Peter Pan pantomime Spotlight Jozi Peoples Theatre – Storybook Theatre Peoples Theatre = Shrek Festival of Lights at the Joburg Zoo
<b>ROODEPOORT THEATRE</b>	Dinner for One/ Soper vir een Liewe Heksie Mandela Day Russian School of Ballet Petite Performers Spectacular Singin' in the Rain," Roodepoort Hybrid Dance Festival Association of International Dance Teachers (AIDT World Lyrical Dance Federation WLDFA	Westside Comedy B-sharp music academy
<b>SOWETO THEATRE</b>	Tribute to Babsy Mlangeni 5th Intimate Worship Series Woman in Chronicle Lament Songs of Imbokodo Mrs Soweto	MTP end-of –year showcase Litsomong end-of-year showcase Soweto Fashion week Kasi worship Basadi ka Dituku

**JOBURG CITY THEATRES:**

	<p><b>Seven colour sunday</b>  <b>Omama Besxaxa Foundation presented</b>  <b>Legendary Artist Music Tour-</b>  <b>Akili za Kuchochea</b>  <b>Chester Koch &amp; Chester Miising Baggage</b>  <b>Childhood Cancer Awareness Walk.</b>  <b>Joburg City Theatres’ Wellness Day</b></p>	<p><b>Soweto in Colour (NYE)</b></p>
--	---	--------------------------------------

**3.2. INFORMAL ECONOMY AND SMME SUPPORT**

JCT through its budget supports SMMSs, BBBEEs, Youth and Women owned companies. The Creative Entrepreneurship Programme at Joburg City Theatres provides 80/20 door deal partnerships to the performing arts community in order to generate income through space.com and Joburg Theatre, The Basement at Roodepoort Theatre and Blue Theatre at Soweto Theatre as a venue for artistic expression by the youth and broader Johannesburg community.

The programme has had a large impact in creating theatre accessibility and audience engagement.

**3.3. SOCIAL COHESION, COMMUNITY BUILDING AND ENGAGED CITIZENRY**

In alignment with the City’s Social Cohesion and Transformation Agenda, JCT promotes and develops local content and local markets through programmes that advance social cohesion and support the transformation of society.

Youth programmes and development initiatives are a cornerstone of the JCT transformation agenda aimed at a future that presents significantly improved human and social development realities. It relates to issues of social cohesion and inclusivity and improved quality of life, supported by the establishment of development-driven resilience, and particularly resonates with the work of Joburg City Theatres. JCT continues to host developed and staged world class productions that tells the story – and promote civic pride / social cohesion which includes community dialogues and education sessions.

**3.3.1. YOUTH DEVELOPMENT & COMMUNITY OUTREACH**

Youth and community development programs are significant contributors to JCT's strategy. They focus on providing opportunities for young people, developing future arts practitioners and entrepreneurs through structured programs that emphasise education, support and community participation. A new indicator to measure the youth and community development and emerging voices supported through partnerships was introduced. As at mid-year quarter, 30 out of a target of 30 were supported.

Space.com provides a black box theatre for theatre practitioners to showcase their work at Joburg Theatre. It also offers administrative support and marketing assistance to performing arts practitioners. This venue is often the first professional stage for many creatives and artists, and it has been a hub for exploring and developing new work at JCT. The space provides a supportive and insular environment for real-world experience in the process of creating work.

For the six months of the year, Space.com productions were scheduled in line with the thematic framing each month so that the theatre program is aligned with the broader social calendar. Whilst



## **JOBURG CITY THEATRES:**

focused on work produced in partnership, the space continued to offer space and production support to productions looking to rent the space and try their hand at the business of theatre.

**My Children My Africa-** Soweto theatre presented this school networks with an intention to assist learners increase their vocabulary, gain an enhanced knowledge of the plot and to develop a greater tolerance as well as an improved ability to read the emotions of others. The play was based on Athol Fugard's 1989 book, which examined issues such as apartheid, race relations, and the effects of colonialism was presented at Soweto Theatre.

**Music Tutorial Programme (MTP)-** The aim of this programme is to foster structured opportunities for aspiring youth with a passion for music and arts in Soweto. MTP collaborated with the Community Philharmonic Orchestra (COMPO) and presented an afternoon of music, and entertainment to celebrate **Mandela Day**. This culminated into an awards ceremony where young learners were recognised for their outstanding progress with generous contributions made to support their musical journey. 30-piece COMPO and Soweto Theatre's Junior MTP Orchestra were invited by the saxophonist, flute player and composer McCoy Mrubata to plya at Emperors Palace.

**MTP Practical and Theory Lessons-** continued as normal, which is four times a week (Tuesday Wednesday, Thursday, and Saturday). As at the end of the quarter students were working hard and practicing in preparation for their mid-term exam.

**Lits'omong's Programme-** The programme aims to deliver a training and drama development programme to both facilitators and learners. The lessons were a success regardless of not been in a traditional theatre space, it was also great to rethink site specific. Choreography mentoring program focussed on conceptualisation, creation, interpretation, and translation movements of bodies with the help of sounds and text. Learners performed as the closing act at the Performing Arts Main Festival on the 25th of September, where learners presented a piece of poetry.

**D'londs Arts Academy (DAA) -** DAA in collaboration with Soweto Theatre Youth and Community Development is an incubation programme that seeks to give artists with raw talent skills, academic merit and experience in the arts industry.

With the assistance of the head of school, Kwanele Finch Thusi, 30 DAA students received funding from the **Social Employment Fund (SEF)** program run by **IDC** based on their circumstantial need, participation, and merit.

For Roodepoort- The six months have seen young performers and entrepreneurs meet at the theatre with a business coach to share and learn about the business of the arts; the curriculum ranges from business reporting, financial planning, marketing and packaging talent; these sessions have been a great success as the workshops have been attended to maximum capacity. RT continued to be home to the comedy academy for upcoming young comedians, where they are taught to polish their craft and skill, and every Saturday, the theatre has been home to young and upcoming ballerinas. These have been the theatre's community programs for youth which have achieved unimaginable success; cumulatively, they have resulted in many young feet through the

## **JOBURG CITY THEATRES:**

theatre who, under normal circumstances, would not have enjoyed such a privilege. The theatre continues to invest in youth, community and skills development and 2024 will be no different.

**Mobile Theatre Truck-** For the six months of the year the truck has been busy with following activations: A collaboration with Old Mutual and Sound HQ for the national school's program called the "Old Mutual Roadshow". A collaboration was with the CoJ Sports and Recreation and ABSA for the "Absa RUN YOUR CITY JOBURG 10K. In an effort to take the arts to targeted diverse communities, the following collaborations took place in the 2nd quarter: A collaboration with the Saeed Foundation NPO, for community development and youth empowerment; 2nd annual Penny Penny Guy Fawkes Carnival took place at the Multi-Purpose Soccer Field in Extension 4, Orange Farm. The **Basadi Ka Dituku** annual event, themed "*We will not be silenced,*" also graced the JCT Mobile Theatre truck and utilized the Soweto Theatre precinct as its venue this year. The Mobile Truck also featured at the festival of lights festival for a varied and enjoyable entertainment program.

### **3.4. REPOSITIONING JOBURG IN THE GLOBAL ARENA**

#### **Joburg Ballet (JB)**

As at Mid-Year, Joburg Ballet has presented two seasons. In quarter one, ***Romeo and Juliet*** was presented at the Joburg Theatre. In the 2quarter, two major productions were presented, ***Don Quixote*** at the Joburg Theatre as well as ***The Nutcracker*** at the Teatro Montecasino. The Nutcracker also travelled to the Playhouse in Durban

**Joburg Ballet Schools-** Classes continued as normal at all centres. Second session Cecchetti examination took place during the quarter with results indicating 18 distinctions and 3 merits achieved.

**School Interactions-** a total of **821** learners were reached during the 2<sup>nd</sup> quarter as follows: (53) Crawford Preparatory to watch the company class and studio rehearsals. (729) Sebokeng and Tembisa attended the Don Quixote rehearsals. Nutcracker performances (19) Salvazione Christian School, (20) Kids Haven.

#### **Joburg Philharmonic Orchestra (JPO)**

**Education & Community Engagement** – The Johannesburg Philharmonic Orchestra is passionate about its comprehensive community engagements programmes, which see music through the lens of arts exposure, skills transfer and performance opportunities.

Exposing young learners to the Orchestra in the intimate setting of a school hall awakens a whole new level of possibility. For many, these precipitates or follows classroom time involving discussions around the orchestra, its instruments, and the various elements of music.

#### **Education & Community Upliftment-**

**School Concerts-** The Johannesburg Philharmonic Orchestra has earned a special place in the hearts of schools throughout the province, exposing learners to the magnitude of the Orchestra, and the

possibilities that exist in life because of it. The beauty and necessity of starting to think creatively, and of experiencing life through inspired eyes, brings a much-needed aspect to the learning

**JOBURG CITY THEATRES:**

experiences of the children. At each Education and Community Engagement concert, the Orchestra performs as a unit, and each section of the entity is explained. Learners are able to hear each instrument individually, while also experiencing the collective power of the whole orchestra. For many, these precipitates or follows classroom time involving discussions around the orchestra, its instruments, and the various elements of music.

**Education Audience Reach**

SEPTEMBER - 850 Audience Members Reached			
Date	School	Area	Attendance
1 September	Ntuthuko Primary. Address: Kubeka st	Katlegong	350
8 September	Thabang Primary. Address: 2761 Mashao str, Dobsonville	Soweto	500

Education Audience Reach **850**

**Teaching Project-** The partnership with St Matthew’s School in Soweto continues, offering individual teaching for the Thabang Ka Mmino Music and Culture Project (TKM) — a project based at the school which provides extra-mural activities and constructive social outlets for the children of the community. **Total Number of Lessons this Quarter:1000**

**Performance Highlights**

The first quarter of the year, JPO performed **TOSCA Opera** with Cape Town Opera at Joburg Theatre- at the Nelson Mandela Theatre. This was followed by **The Symphonic Jazz Concert** – a collaboration with the ZAR Jazz Orchestra in celebration of South Africa’s jazz heritage at the Linder Auditorium, as well as the **World Symphony Series-** Early Spring season also took place at the Wits Campus. For the 2<sup>nd</sup> quarter JPO presented a **Joint Concert with KZNPO** (KZN Philharmonic) in celebration of the KZN Philharmonics 40th ANNIVERSARY. Followed by **The Christmas concert** at Word and Life Church, which was a community event, with free admission to the public. Lastly, as fundamental to the work that the Johannesburg Philharmonic Orchestra the 2<sup>nd</sup> season of **World Symphony Series** which is the Spring Season 2023 was also presented.

**3.5. ECONOMIC GROWTH, JOB CREATION, INVESTMENT ATTRACTION AND POVERTY REDUCTION**

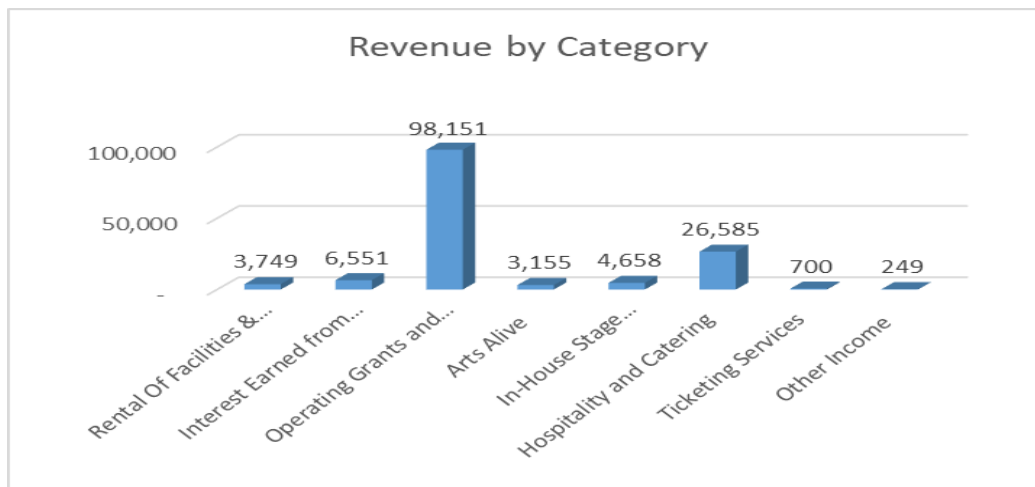
**3.5.1 INCOME PERFORMANCE**

Total revenue has increased by 3% compared to the previous year. This performance is attributed to the strong results from Interest earned on external investments exceeded by 95% while rental of facilities and equipment improved by 25% year on year. Hospitality and catering also contributed to the increase of the total revenue.

**Table and Graph below is a summary of main revenue line items for the midyear:**

**JOBURG CITY THEATRES:**

Item Description	Actual_Qtr 2 2023/24 R'000	Budget_Qtr 2 2023/24 R'000	Actual_Qtr 2 2022/23 R'000	Actual to Budget %	Current to Prior %
<b>Income</b>	<b>143 799</b>	<b>144 287</b>	<b>139 747</b>	<b>0%</b>	<b>3%</b>
Rental Of Facilities & Equipment	3 749	2 513	3 011	49%	25%
Interest Earned from External Investments	6 551	3 393	3 364	93%	95%
Operating Grants and Subsidies	98 151	98 151	95 985	0%	2%
Arts Alive	3 155	9 224	4 109	-66%	-23%
In-House Stage Productions	4 658	6 439	4 703	-28%	-1%
Hospitality and Catering	26 585	23 645	26 976	12%	-1%
Ticketing Services	700	600	609	17%	15%
Other Income	249	322	990	-23%	-75%

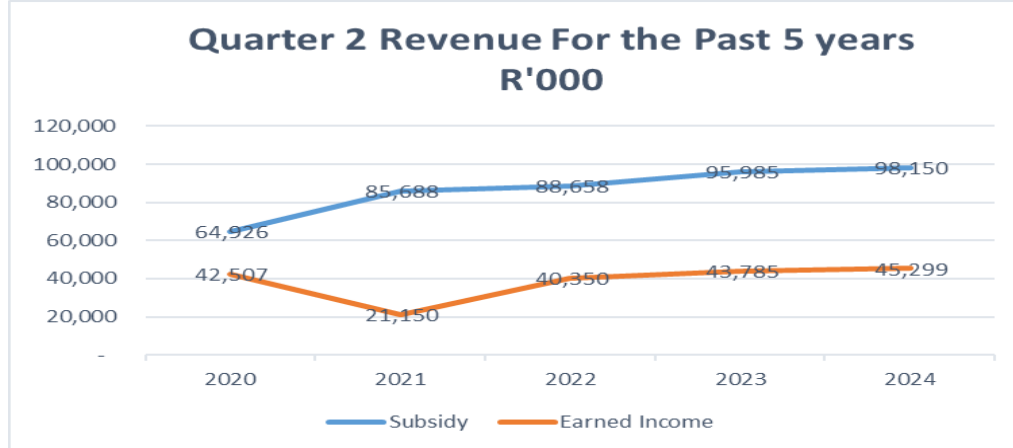


**Revenue for the past 5 years**

The revenue for the entity has been increasing for the past 5 years from R107m to R144m which translate to an average increase of 6% per annum while expenditure has been increasing at an average rate of 6%.

Consolidated Annual Revenue JCT					
Revenue category	Quarter 2 Actuals R'000				
	2024	2023	2022	2021	2020
Subsidy	98 151	95 985	88 658	85 688	64 926
Earned Income	45 648	43 785	40 350	21 150	42 507
	<b>143 799</b>	<b>139 770</b>	<b>129 008</b>	<b>106 838</b>	<b>107 433</b>
Consolidated Annual Expenditure JCT					
Expenditure category	Quarter 2 Actuals R'000				
	2024	2023	2022	2021	2020
Salaries and wages	65 746	58 482	51 560	48 418	43 137
Grants and subsidies paid	9 869	17 256	16 687	16 217	15 903
General expenses	64 132	53 987	53 233	29 882	56 078
	<b>139 746</b>	<b>129 725</b>	<b>121 480</b>	<b>94 517</b>	<b>115 118</b>
<b>Surplus for the period</b>	<b>4 053</b>	<b>10 045</b>	<b>7 528</b>	<b>12 321</b>	<b>-7 685</b>

**JOBURG CITY THEATRES:**



**Revenue Highlights**

**1) Explanation of major variances between budget and actual**

- a) **Rental of Facilities & Equipment (49%)** The entity recorded a strong performance on Rental of facilities and equipment, the achievement was 49% better than planned. This positive variance is largely attributable to the income earned from the fixed rental shows and door deals with the show producers. The auditoriums have hosted well-known shows like Panto Peter Pan, Don Quixote, and Miss Soweto just to mention the few.
- b) **Interest earned from external investments (93%)** The target of R3.3m was achieved and exceeded by 93% due to better rates negotiated with the banks, changes in repo rate and increased revenue in the current financial year.
- c) **Hospitality and Catering (12%)** This business unit has recorded a favourable variance of 12%. The revenue on hospitality and catering was due to several service level agreements (SLA) signed and executed, most notably an SLA framework order with COJ’s Community Development on arts culture and heritage programs as well as SLAs for Sports and Libraries and Office of the Speaker. The overall performance during the past period was commendable, showcasing a strong effort and dedication from the team. However, it’s important to note that the performance could have been even more impressive had it not been for business discontinued because of nonpayment of some COJ Entities. Despite this temporary setback, we were able to deliver good results, and it highlights the potential for even greater achievements when operations are running smoothly.
- d) **In-house Stage Productions** Ticket sales were notably below the target by 28% and decreased by 1% compared to the same period previous year. The decline is attributed to the weather conditions with rain resulting in some festival of lights performances being cancelled.

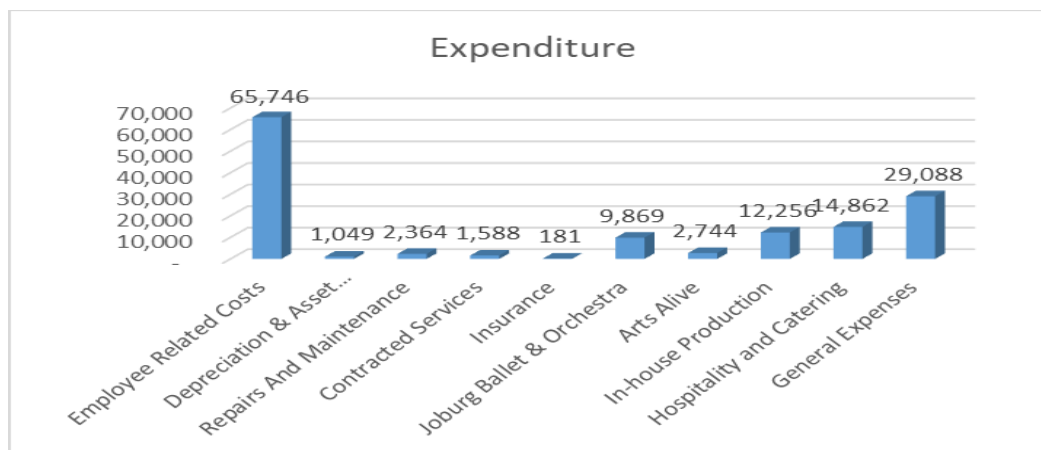
**3.5.2. EXPENDITURE PERFORMANCE**

### **JOBURG CITY THEATRES:**

The entity will continue to forge a good relationship between revenue generation and expenditure patterns by employing prudent financial discipline on expenditure management hence the entity has realised a saving of 5%.

The table below depicts expenditure performance against target for the Mid-Year 2023/24:

Item Description	Actual_Qtr 2 2023/24 R'000	Budget_Qtr 2 2023/24 R'000	Actual_Qtr 2 2022/23 R'000	Actual to Budget %	Current to Prior %
<b>Expenditure</b>	<b>139,746</b>	<b>147,803</b>	<b>129,725</b>	<b>5%</b>	<b>-7%</b>
Employee Related Costs	65,746	59,447	58,482	-11%	-11%
Depreciation & Asset Impairment	1,049	1,352	835	22%	-20%
Repairs And Maintenance	2,364	2,069	1,321	-14%	-100%
Contracted Services	1,588	1,009	595	-57%	-63%
Insurance	181	185	185	2%	2%
Joburg Ballet & Orchestra	9,869	13,938	17,256	29%	75%
Arts Alive	2,744	9,605	2,933	71%	7%
In-house Production	12,256	19,922	12,420	38%	1%
Hospitality and Catering	14,862	9,840	14,474	-51%	-3%
General Expenses	29,088	30,436	21,224	4%	-27%



#### **Explanation of Variances:**

- Employee related costs: (-11%)** The unfavourable variance on this line item was caused by the level of activities in the hospitality and catering department as well as in the core business of the theatre, furthermore, the City of Johannesburg metro has implemented more allowances to be paid to insourced employees and that includes amongst others night shift allowance, Sunday shift allowance and danger allowance. A request has been made with budget office to address this variance through budget adjustment process.
- Depreciation and Amortisation: (22%)** The entity conducted its annual physical verification, and condition assessment of its assets, this resulted in the reassessment of useful life of certain categories of assets. The useful life of these assets was increased, and that resulted in the reduction of the depreciation expense.
- Repairs and Maintenance (-14%)** The unfavourable variance on this line item was due to major repairs done at Soweto Theatre due to the floods. Other repairs done were for the generator, canopy, and tension repairs.

## **JOBURG CITY THEATRES:**

4. **General Expenses: (4%)** This line item show a favourable variance with a savings of 4% in the second quarter. JCT will continue employing prudent financial discipline on expenditure by implementing cost containment policy.
5. **Transfers and subsidies (29%)** The favourable variance will be corrected during the budget alignment. Previously the payments were done biannually, and that has changed to quarterly.

### **3.5.3. STATEMENT OF FINANCIAL POSITION SECOND QUARTER 2022/23**

Cash and cash equivalents have been improving year on year however decreased slightly at a small margin of 10% as compared to the midyear of the previous year. Current ratio for the entity has increased by 9% year on year from 1.21:1 to 1.13:1, and it is above the industry norm of 1:1. The solvency ratio is 3.6% less than the same period last year at 1.28:1 to 1.24:1 and it's still below the norm of 2:1, this does not pose a challenge for the entity as the asset base does not grow because a lot of asset improvements are funded by the shareholder and are capitalised at COJ. Current assets have decreased by 4% year on year and current liabilities increased by 3%. Total assets increase by 0 % year on year while total liabilities increased by 3% year on year.

### **3.5.4. TRADING SURPLUS**

JCT recorded a trading surplus of R4m for the mid-year against the budgeted surplus of R2.2m.

### **3.5.5. CAPEX**

The entity exceeded the target in the midyear by spending 74% of capital expenditure, which is a great performance as the target is 30%. In addition, with commitment of R2,8m, the expenditure equates to 87%. This is in line with the city 's mandate to ensure that the budget allocated for capex is spent accordingly.

## **4. POLICY IMPLICATIONS**

- a) This is in line with the IDP and Community Development Implementation Plan.
- b) The SDBIP is defined in terms of Section 1 of the Local Government: Municipal Finance Management Act, 56 (Act 56 of 2003) (MFMA), and the format of the SDBIP is prescribed by the MFMA Circular 13.
- c) Section 41(1) (e) of the Local Government: Municipal Systems Act, 32 (Act 32 of 2000) (MSA), prescribes that a process must be established of regular reporting to Council.
- d) This report is a requirement in terms of Section 52 of the MFMA which provide for:
  - The Executive Mayor, to submit to council within 30 days of the end of each quarter, a report on the implementation of the budget and financial state of affairs of the municipality;
  - The Accounting Officer, while conducting the above, must take into account: Section 71 Reports; Performance in line with the Service Delivery and Budget Implementation Plans.

## **5. LEGAL AND CONSTITUTIONAL IMPLICATIONS**

This report is in compliance with the Municipal Systems Act 32 of 2000 as a requirement of The Performance Management System. The Municipal Finance Management Act, No. 56 of 2003 (the "MFMA") prescribes the formulation of an annual SDBIP by municipalities, as a detailed plan,

## **JOBURG CITY THEATRES:**

approved by the mayor of a municipality in terms of Section 53(1)(c)(ii), for implementing the delivery of services and the execution of the annual budget.

The MFMA also requires a municipality to report on a quarterly basis on its performance against the SDBIP, which is aimed at strengthening local accountability and governance for improved service delivery.

According to the MFMA, the SDBIP is a layered plan with the top layer dealing with service delivery targets linked to top management output. As part of the top layer, the SDBIP must include operational and capital expenditure, service delivery targets and performance indicators for each quarter.

### **6. FINANCIAL IMPLICATIONS**

All programmes are budgeted for in terms of the 2023/24 budget process.

### **7. ECONOMIC IMPLICATIONS**

Balance the imperative for revenue generation with socio-economic development and provide opportunities for future arts practitioners and entrepreneurs.

### **8. COMMUNICATION IMPLICATIONS**

This report will be disseminated within the various Departments as part of the process of monitoring and evaluation of the departmental performance and published on the company's website subsequent to Council approval.

### **9. OTHER DEPARTMENTS/BODIES CONSULTED**

COJ: Department of Community Development  
COJ: Group Governance  
COJ: Group Strategy Policy and Relations  
COJ: Group Risk and Assurance Services  
Joburg City Theatres: Audit and Risk Committee  
Joburg City Theatres: Board



**JOBURG CITY THEATRES:**

---

**10. RECOMMENDATION**

It is recommended that the progress Report on the 2023/24 Mid-Year performance made by Joburg City Theatres be approved by the Mayoral Committee.

Compiled by: Wendy Adams

**RECOMMENDED BY:**

  
\_\_\_\_\_  
MR VUKANI MAGUBANE  
Acting Chief Financial Officer

DATE: 19/01/2024

  
\_\_\_\_\_  
MS XOLISWA NDUNENI-NGEMA  
Chief Executive Officer

DATE: 22/01/2024

**APPROVED / NOT APPROVED BY:**

  
\_\_\_\_\_  
MR GODFREY KATSANA  
Chairperson of the Board  
Joburg City Theatres

DATE: 22/01/2024

  
\_\_\_\_\_  
Cllr LUBABALO MAGWENTSHU  
Member of the Mayoral Committee  
Community Development  
City of Johannesburg

DATE: 22/01/2024