

GROUP FINANCE

**55 TABLING OF THE 2024/25 – 2026/27
MEDIUM-TERM OPERATING BUDGET
AND RELATED DOCUMENTATION****1. STRATEGIC THRUST**

Good Governance

Financial Sustainability

2. OBJECTIVE

To table before Council the draft medium-term operating budget for the 2024/25 to 2026/27 financial years in compliance with Section 16 (2) of the Municipal Finance Management Act 56 of 2003 (MFMA, the Act).

3. SUMMARY**3.1 BUDGET PROCESS OVERVIEW**

In terms of the Section 16 (2) of MFMA, the Mayor must table a draft annual budget at a Council meeting 90 days before the start of the budget year.

In terms of Section 87 (1) of the MFMA, Municipal Entities are required to submit their draft budgets to the parent municipality not later than 150 days before the start of the entity's financial year.

The budget process for 2024/25 commenced on 4 December 2023 when budget indicatives were issued. Departments and municipal entities (MEs) were requested to prepare budget proposals and these budget proposals were then presented to the Budget Steering Committee held on 17, 22-24 January 2024. Departments and entities were requested to allocate resources towards the City's political priorities with the focus on service delivery initiatives. Final budget indicatives were issued on 4 March 2024 using the 2023/24 adjustment budget as a basis to ensure financial sustainability over the medium term.

The Minister of Finance's budget speech was held on 21 February 2024 and the budget does take into account the latest national allocations as reflected in the Gazette. The provincial allocation will be available later and will be included in the final budget that will be submitted to Council during the month of May 2024.

Consultation Process

The draft operating budget is tabled for information and consultation, rather than approval and will be refined to consider the outcome of the public participation process.

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3.2 MEDIUM-TERM OPERATING BUDGET

Medium-Term Budget Direction

The 2024/25 medium-term budget will focus on the following key political strategic priorities:

- Good Governance
- Financial Sustainability
- Energy Mix
- Sustainable Service Delivery
- Infrastructure Development and Refurbishment
- Job Opportunity and Creation
- Active and Engaged Citizenry
- Safer City
- Sustained Economic Growth
- Green Economy
- Smart City

Overview of the 2024/25 Medium-Term Budget

The proposed operating revenue budget is approximately R76.2 billion and the operating expenditure budget is totalling R74.6 billion for the 2024/25 financial year. Revenue is increasing by 7% and expenditure by 6.5% over the 2023/24 financial year.

The table below set out the medium-term revenue and expenditure budget for the 2024/25 - 2026/27 financial years.

	Original Budget 2023/24 R 000	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	%	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Revenue	75 393 870	71 205 653	76 219 482	7.0%	82 095 182	88 590 057
Internal revenue	10 461 671	10 386 348	10 382 308	0.0%	10 785 137	11 163 669
Expenditure	85 855 542	81 592 001	86 601 790	6.1%	92 880 319	99 753 726
Internal expenditure	73 299 518	70 082 618	74 630 164	6.5%	78 770 288	83 777 480
	10 461 671	10 386 348	10 382 308	0.0%	10 785 137	11 163 669
	83 761 189	80 468 966	85 012 471	5.6%	89 555 425	94 941 149
Surplus (Deficit)	2 094 352	1 123 035	1 589 318		3 324 895	4 812 577
Taxation	80 168	68 977	41 160		43 557	45 517
Surplus (Deficit) for the year	2 014 184	1 054 058	1 548 158		3 281 338	4 767 060
Capital grants and contributions	3 208 307	3 392 438	3 542 332		3 880 921	2 925 162
Surplus (Deficit) for the year including capital grants and contributions	5 222 491	4 446 496	5 090 490		7 162 259	7 692 222

The City is budgeting for a surplus (before taxation and capital grants) of R1.6 billion for 2024/25. The surplus will be applied towards the City's working capital and funding of capital investment.

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In 2023/24, the direct revenues were budgeted at R71.2 billion with revenue estimated to be R76.2 billion in 2024/25.

Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2024/25	% Incr.	Budget Year +1 2025/26	Budget Year +2 2026/27
	R 000	R 000	R 000		R 000	R 000
EXCHANGE REVENUE						
Service charges - Electricity	23 097 508	19 155 633	21 467 342	12.1%	23 993 127	26 818 432
Service charges - Water	9 486 608	9 986 396	10 632 200	6.5%	11 333 925	12 081 963
Service charges - Waste Water Management	6 893 182	6 893 546	7 246 316	5.1%	7 724 572	8 234 394
Service charges - Waste Management	2 571 163	2 918 933	3 094 069	6.0%	3 248 773	3 411 214
Sale of Goods and Rendering of Services	870 667	595 562	718 493	20.6%	910 494	951 667
Agency services	386 492	371 492	389 321	4.8%	406 841	425 142
Interest earned from Receivables	332 416	486 829	491 423	0.9%	497 117	505 269
Interest earned from Current and Non Current Assets	174 350	185 576	194 484	4.8%	203 235	212 379
Rental from Fixed Assets	535 867	588 210	431 636	-26.6%	451 062	471 359
Operational Revenue	1 046 832	886 946	930 347	4.9%	1 035 263	1 082 053
NON-EXCHANGE REVENUE						
Property rates	16 372 765	16 372 765	17 158 657	4.8%	17 930 796	18 737 681
Surcharges and Taxes	302 905	302 905	317 445	4.8%	331 730	346 659
Fines, penalties and forfeits	951 574	161 256	168 996	4.8%	176 601	184 547
Licences or permits	10 870	3 433	3 606	5.0%	3 769	3 937
Transfer and subsidies - Operational	8 281 453	8 334 444	8 718 632	4.6%	9 262 463	10 183 469
Interest	116 245	116 245	121 825	4.8%	127 307	133 036
Fuel Levy	3 838 724	3 838 724	4 127 608	7.5%	4 450 706	4 799 123
Operational Revenue	118 335					
Gains on disposal of Assets	5 914	6 758	7 082	4.8%	7 401	7 734
TOTAL DIRECT REVENUE excl. capital grants/contr.	75 393 870	71 205 653	76 219 482	7.0%	82 095 182	88 590 057

The increase of 7% in total revenue is mainly as a result of increases in service charges – electricity 12.1%, sales of goods of rendering services 20.6% and the fuel levy 7.5%.

The table below set out the average tariff increases for major services for 2024/25 - 2026/27 financial years.

Service	Base Year 2023/24	Budget Year 2024/25	Budget Year +1 2025/26	Budget Year +2 2026/27
Property rates	2.00%	4.80%	4.50%	4.50%
Electricity	14.97%	10.74%	10.00%	10.00%
Water	9.30%	7.70%	7.70%	7.70%
Sanitation	9.30%	7.70%	7.70%	7.70%
Refuse	7.00%	5.90%	4.50%	4.50%

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The proposed tariff increases in the table above are averages, i.e. some customers may pay more and others less than the average.

Exchange revenue

- Service charges – electricity: The projected electricity revenue of R21.5 billion (excluding New Connections fees) is a 12.1% increase from the 2023/24 financial year. The revenue budget increase by 12.1% compared to 2023/24 financial year budget. The increase is based on a proposed average tariff increase for electricity of 10.74% and the strategic drive to reduce total electricity losses to a level of 25.5% for the 2024/25 financial. The bulk purchase price increase is due to the Eskom tariff increase of 12.72%, Kelvin Power tariff price of R1.63 and total volumes growth estimated at 0,27%.
- Service charges – water and wastewater management: The projected revenue is estimated at R17.9 billion, approximately 5.9% increase from the 2023/24 financial year. The increase is based on an average tariff increase of 7.7%, based on a proposed Rand Water tariff increase of 5.9% and an additional 1.8% expected population growth.
- Service charges - waste management: The projected revenue of R3.1 billion is a 6% increase from the 2023/24 financial year. The increase is based on a proposed average tariff increase of 5.9%. The additional revenue was sourced through the revenue enhancement project where revenue was increased for Domestic RCR.
- Sale of goods and rendering of services: Revenue is increasing by 20.6% mainly due to the operationalization of Phase 1C(a).
- Agency services: Revenue is increasing by 4.8%.
- Interest earned from receivables: Interest increased by R4.6 million in line with payment levels of the city.
- Interest earned from current and non-current assets: Interest increased by 4.8% in line with liquidity levels of the city.
- Rental from fixed assets: Rental from fixed assets is decreasing by approximately 26.6%. The decrease in revenue relates to outdoor advertising revenue that was increased in the 2023/24 financial year to R250 million (no contracts were in place with service providers, the revenue was received in advance, and it will be converted to revenue as soon as contracts are finalised). The revenue in the 2024/25 financial year is anticipated to be R77.3 million.

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- Operational revenue: Operational revenue reflects an increase of R43.4 million or 4.9%. The tariffs for minor services will increase in line with estimated inflation of 4.8%.

Non-exchange revenue

- Property rates: Property rates: Projected property rates revenue is estimated at R17.2 billion, approximately a 4.8% increase from the 2023/24 financial year. The increase is based on an average property rates tariff increase of 4.8%. The increase includes improvements made to properties, subdivisions, consolidations, and new properties.
- Surcharges and taxes: Revenue is increasing by 4.8%.
- Fines, penalties and forfeits: Revenue is increasing by 4.8%.
- Licences or permits: Revenue is increasing by 5%.
- Transfer and subsidies – operational: Operating grants are increasing by R384.2 million or 4.6% from the 2023/24 financial year. The table below reflects the budgets of transfers and subsidies – operational:

Transfer and subsidies - Operational	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	%	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Equitable share	7 053 154	7 571 601	7.4%	8 169 095	8 822 758
Finance Management	1 000	1 000		1 000	1 200
Programme and Project Preparation Support Grant	35 000	39 234	12.1%	40 000	43 059
Public Transport Network Grant: Opex	893 766	774 917	-13.3%	811 516	1 076 944
NDPG Opex: Public Employment Programme (PEP)	92 793	85 723	-7.6%		
EPWP	13 197	4 967	-62.4%		
Energy Efficiency and Demand Side Management Grant		7 000		7 000	8 500
Infrastructure Skills Development	5 569	6 000	7.7%	7 000	7 000
Recap of Comm Libraries Cond Grant	12 823	13 948	8.8%	14 750	14 750
Libraries Plan	4 000	3 683	-7.9%	3 674	4 503
Municipal Disaster Response Grant OPEX	2 150		-100.0%		
Primary Health	167 093	167 093		173 000	173 000
HIV AIDS	30 649	30 649		31 200	31 200
Environmental Grant	450		-100.0%		
UN Environment Programme Opex	17 338	12 307	-29.0%	3 696	
Other	5 462	510		532	555
Total Transfer and subsidies - Operational	8 334 444	8 718 632	4.6%	9 262 463	10 183 469

- Interest: Interest is increasing by 4.8%.
- Fuel levy: The fuel levy is increasing by 7.5% in accordance with the allocation letter received from National Treasury.

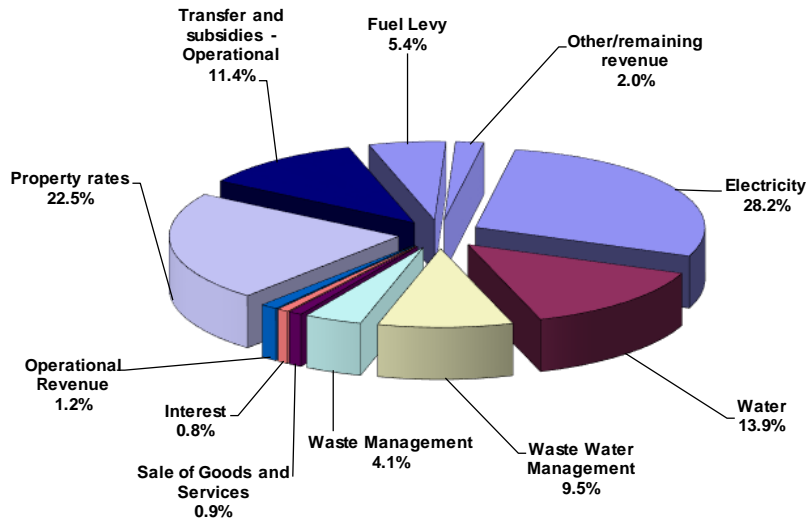
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- Gains on disposal of Assets reflect an increase of R324 thousand.

The graph below reflects the percentages per revenue category of the total revenue of the City.



The 2024/25 revenue budget for property rates, electricity, water, wastewater waste management amounts to R59.9 billion and it represents approximately 78.6% of the total revenue budget of R76.2 billion.

Expenditure Analysis

The expenditure budget in the current financial amounts to R70.1 billion. 2024/25 presents a budget of R74.6 billion, an increase of 6.5% from the 2023/24 adjusted budget.

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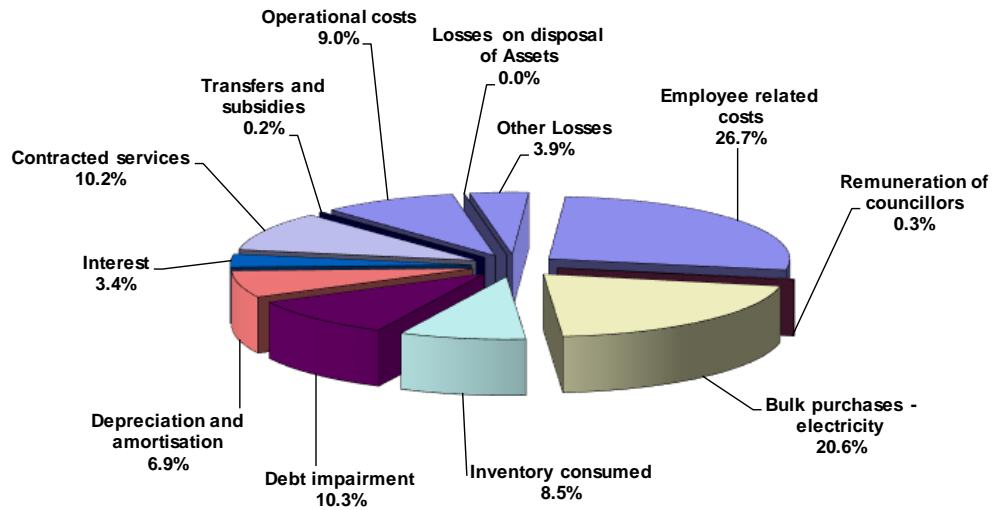
Description	Current Year 2023/24		2024/25 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2024/25	% Incr.	Budget Year +1 2025/26	Budget Year +2 2026/27
	R 000	R 000	R 000		R 000	R 000
EXPENDITURE						
Employee related costs	19 007 361	19 063 085	19 957 079	4.7%	20 851 550	21 784 725
Remuneration of councillors	184 542	182 642	191 409	4.8%	200 022	209 023
Bulk purchases - electricity	16 403 226	13 639 856	15 377 574	12.7%	17 336 677	19 545 370
Inventory consumed	6 358 943	5 987 571	6 320 206	5.6%	6 710 486	7 126 560
Debt impairment	7 983 550	7 212 505	7 678 231	6.5%	7 749 789	8 024 241
Depreciation and amortisation	4 784 336	4 867 246	5 176 559	6.4%	5 395 644	5 636 251
Interest	2 171 098	2 396 800	2 511 836	4.8%	2 624 858	2 742 966
Contracted services	7 575 012	7 407 514	7 588 363	2.4%	7 769 289	8 227 299
Transfers and subsidies	138 835	84 424	135 387	60.4%	46 709	48 812
Operational costs	6 772 269	6 614 616	6 742 074	1.9%	6 928 594	7 067 353
Losses on disposal of Assets	302	6 847	7 205	5.2%	7 109	7 449
Other Losses	1 920 044	2 619 512	2 944 240	12.4%	3 149 561	3 357 431
TOTAL DIRECT EXPENDITURE	73 299 518	70 082 618	74 630 164	6.5%	78 770 288	83 777 480

The increase of 6.5% in expenditure is a result of the increase in employee related cost 4.7%, remuneration of councillors 4.8%, bulk electricity purchases 12.7% (Eskom/Kelvin Power Station), inventory consumed 5.6% which includes the water purchases from Rand Water, debt impairment 6.5%, depreciation 6.4%, interest 4.8%, contracted services 2.4%, transfer and subsidies paid increased by 60.4% (mainly due to the receipt of the Public Employment Program and EPWP grant allocations reflected in the budget of Economic Development), operational costs increased by 1.9%, losses on disposal of assets increased by 5.2% and other losses increase by 12.4% (mainly due to water losses). The increases in the expenditure categories are explained later in the report under each cluster per department or entity.

The graph below reflects the percentages per expenditure category of the total expenditure of the City.

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The table below reflects the summary of the proposed financial position.

Financial position	Original Budget 2023/24 R million	Adjusted Budget 2023/24 R million	Budget 2024/25 R million	Estimate 2025/26 R million	Estimate 2026/27 R million
Total current assets	20 494	13 408	18 790	22 907	29 926
Total non current assets	92 318	91 453	92 733	95 805	97 346
Total current liabilities	16 092	13 973	16 085	15 624	15 986
Total non current liabilities	27 521	27 441	26 900	27 387	27 894
Community wealth/equity	69 198	63 447	68 538	75 700	83 392

The projected current ratio over the medium term is projected to be approximately 1.2:1 and above.

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Cash Flow

The table below reflects the summary of the proposed cash flow.

Cash flow	Original Budget 2023/24 R million	Adjusted Budget 2023/24 R million	Budget 2024/25 R million	Estimate 2025/26 R million	Estimate 2026/27 R million
Net cash from (used) operating	10 662	4 128	8 687	14 432	13 372
Net cash from (used) investing	(7 880)	(7 003)	(5 993)	(8 013)	(6 720)
Net cash from (used) financing	(300)	(302)	979	(667)	331
Cash/cash equivalents at the year begin:	4 450	4 055	878	4 551	10 303
Cash/cash equivalents at the year end	6 931	878	4 551	10 303	17 286

The cash of the City is projected to be approximately R4.5 billion at the end of the 2024/25 financial year. Cash reserves are applied towards capital infrastructure spending.

The following Budget Assumptions were made:

CPI is estimated at 4.8% for 2024/25 and 4.5% for both the 2024/25 and 2026/27 financial years.

Estimated salary increases are estimated at:

- 4.8% - 2024/25.
- 4.5% - 2025/26.
- 4.5% - 2026/27.

Loans interest rates are estimated at 15.61% for 2024/25, 14.86% for 2025/26 and 14.11% for 2026/27.

Bulk purchases – Electricity, City Power has assumed a tariff increase 12.72% from Eskom and total volumes growth estimated at 0,27%. The cost of water purchases from Rand Water is expected to increase by 5.9% and an additional 1.8% expected population growth. Rand Water purchases are reflected under inventory consumed in terms of mSCOA classifications.

The increase of debt impairment by 6.5% is in line with the projected average collection level of 87.7% for rates and services.

Depreciation and amortisation increase by 6.4%.

Interest is increasing by 4.8% over the 2023/24 financial year.

Contracted services increase by 2.4%.

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Transfers and subsidies paid are increasing by 60.4% and it is mainly due to the receipt of the Public Employment Program and EPWP grant allocations reflected in the budget of Economic Development.

Operational costs are increasing by 1.9%.

Losses on disposal of assets are increasing by R358 thousand.

Other losses are increasing by 12.4% and it mainly relates to water losses.

Reasons for the increase or decrease are explained later in the report under each department or entity's section.

Annexure A reflects the operating budget of the City including internal transfers.

Annexure B reflects the operating budget of the Core Administration.

Annexure C reflects the operating budget of the Municipal Entities.

Annexure D reflects the operating budget per vote (per department and municipal entity).

3.3 MEDIUM-TERM EXPENDITURE AND REVENUE PER CLUSTER:

For purposes of this report the expenditure growth percentage of the various departments within the Core Administration is based on direct expenditure (excluding internal transfers) and for the MEs it is based on total expenditure (including taxation) or subsidies received.

SUSTAINABLE CLUSTER

Sustainable Cluster	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Environment And Infrastructure	17 945	16 042	16 467	18 393
Human Settlements	116 247	121 826	127 308	133 037
City Power	19 545 082	21 898 519	24 467 015	27 342 792
Johannesburg Water	17 801 773	18 840 349	20 062 773	21 352 946
Pikitup	4 255 538	4 428 950	4 570 695	4 705 469
Johannesburg Social Housing Company	369 449	383 158	396 769	410 889
Total Revenue	42 106 034	45 688 844	49 641 027	53 963 526

The Sustainable Cluster's revenue budget increases by 8.5% from the 2023/24 financial year.

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Sustainable Cluster Expenditure	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Environment And Infrastructure	135 027	136 525	142 269	148 265
Human Settlements	1 064 172	1 104 469	1 144 349	1 185 827
City Power	20 399 091	22 024 012	24 007 546	26 436 846
Johannesburg Water	16 370 094	17 429 970	18 335 575	19 313 308
Pikitup	4 255 538	4 428 950	4 570 695	4 705 469
Johannesburg Social Housing Company	369 449	383 158	396 769	410 889
Total Expenditure	42 593 371	45 507 084	48 597 203	52 200 604

The Sustainable Cluster's expenditure budget increases by 6.8% from the 2023/24 financial year. Below follow details of the expenditure budget per department and municipal entity within the sustainable cluster:

Environment and Infrastructure

The revenue budget decreases by 10.6% to R16 million mainly as a result of a decrease in concession fees from Kelvin Power Station. The expenditure budget increases by 1.1% to R136.5 million. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
 - Air Quality, Climate change and Energy;
 - Water and Biodiversity management;
 - Impact Management and compliance; and
 - Waste management.
- Job opportunity and creation:
 - Environmental Education (EPWP).
- Good governance:
 - Strategic Coordination and support.

Human Settlements

The direct revenue budget increases by 4.8% to R121.8 million. The direct expenditure budget increases by 3.8% R1.1 billion. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery;
 - Upgrading of Informal Settlements;

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- Upgrading of flats, hostels, and old age homes;
- Formalization of informal settlements;
- Enumeration of new informal settlements;
- Site and services; and
- Title deeds.

City Power

The expected deficit after taxation (excluding capital grants and contributions) amounts to R125.5 million. Service charges - electricity: The projected electricity revenue of R21.5 billion (excluding New Connections fees) is a 12.1% increase from the 2023/24 financial year. The revenue budget increase by 12.1% compared to 2023/24 financial year budget. The increase is based on a proposed average tariff increase for electricity of 10.74% and the strategic drive to reduce total electricity losses to a level of 25.5% for the 2024/25 financial. The bulk purchase price increase is due to the Eskom tariff increase of 12.72%, Kelvin Power tariff price of R1.63 and total volumes growth estimated at 0,27%.

The expenditure budget increases by 8% to R22 billion mainly as a result of the bulk purchase price increase due to the Eskom tariff increase of 12.72%, Kelvin Power tariff price of R1.63 and total volumes growth estimated at 0,27% as well as an increase of 12% in debt impairment based on the collection levels of 94.8%. Below is a highlight of programmes that are within the budget:

- Good governance:
 - Risk Governance and Compliance.
- Sustainable service delivery:
 - Improve Quality of Service.
- Infrastructure development and refurbishment:
 - Active and engaged citizenry;
 - Improve Quality of Service; and
 - Sustainable Energy.
- Financial sustainability:
 - Financial Sustainability.
- Energy mix:
 - Sustainable Energy.

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- Job opportunity and creation:
 - People Development.
- Safer city:
 - Improve Quality of Service; and
 - Smart Utility.
- Active and engaged citizenry:
 - Improve Quality of Service.
- Smart city:
 - Smart Utility.

Johannesburg Water

The expected surplus (excluding capital grants and contributions) amounts to R1.4 billion. Service charges - water and sewerage: The projected water and sewerage revenue is estimated at R17.9 billion, approximately 5.9% increase from the 2023/24 financial year. The increase is based on an average tariff increase of 7.7%, based on a proposed Rand Water tariff increase of 5.9% and an additional 1.8% expected population growth.

The expenditure budget increases by 6.5% to R17.4 billion mainly due to an increase of 5.9% for the water purchase price from Rand Water, an increase of 5.8% in debt impairment based on the collection levels of 78.4% and an estimated 12.4% increase on water losses. Below is a highlight of programmes that are within the budget:

- Good governance:
 - Corporate Governance.
- Financial sustainability:
 - Financial Performance and Management; and
 - Revised Tariff Structure (discontinue Free 6kl).
- Sustainable service delivery:
 - Water Quality Assurance;
 - Sewer Quality Service; and
 - Water Demand Management systems.

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- Infrastructure development and refurbishment:
 - Upgrading and Renewal of networks.
- Safer city:
 - Prevention of infrastructure theft and vandalism.
- Active and engaged citizenry:
 - Media Relations and External Communication; and
 - Stakeholder Engagement and Public Participation.
- Smart city:
 - Innovation and Technology programmes.

Pikitup

The revenue budget increases by 4.1% to R4.4 billion. Service charges - refuse: The projected refuse revenue of R3.1 billion is a 6% increase from the 2023/24 financial year. The increase is based on a proposed average tariff increase of 5.9%. The additional revenue was sourced through the revenue enhancement project where revenue was increased for Domestic RCR.

The expenditure budget increases by 4.1% to R4.4 billion mainly to cater for an increase of 6% in debt impairment based on the collection levels of 73.2%. The subsidy allocation to Pikitup decreases by 0.6% to R1.2 billion. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
 - Waste Management / Environmental Protection - Waste Management.

Johannesburg Social Housing Company (JOSHCO)

The revenue budget increases by 3.7% to R383.2 million. The expenditure budget increases by 3.7% to R383.2 million in line with the increase in revenue. Below is a highlight of programmes that are within the budget:

- Financial stability:
 - Social housing; and
 - Number of housing units completed.

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- Sustainable service delivery;
 - Social Housing;
 - Percentage Employee vacancy rate; and
 - % Collection in respect of current debtors.
- Job opportunity and creation;
 - Number of jobs created for the unemployed through EPWP.
- Sustainable Economic growth;
 - Percentage occupancy rate, % achieved of service level standard.
- Smart city;
 - Number of Digitization initiatives completed.
- Good governance;
 - Percentage compliance to laws and regulations; and
 - Number of employee development initiatives.

HUMAN AND SOCIAL DEVELOPMENT CLUSTER

Human and Social Development Cluster Revenue	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Community Development	49 197	51 556	53 878	56 302
Health	201 155	201 319	207 939	208 106
Social Development	7 477	395	413	432
Public Safety	590 150	616 221	643 952	672 922
Johannesburg City Parks And Zoo	1 233 238	1 280 074	1 326 273	1 374 352
Joburg City Theatres	252 981	261 932	270 792	279 986
Total Revenue	2 334 198	2 411 497	2 503 247	2 592 100

The revenue budget of the Human and Social Development Cluster increases by 3.3% from the 2023/24 financial year.

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Human and Social Development Cluster Expenditure	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Community Development	1 318 999	1 371 260	1 422 905	1 476 672
Health	1 500 365	1 567 796	1 634 104	1 703 357
Social Development	336 517	343 542	357 182	371 400
Public Safety	5 914 552	6 164 635	6 411 247	6 668 342
Johannesburg City Parks And Zoo	1 233 238	1 280 074	1 326 273	1 374 352
Joburg City Theatres	252 981	261 932	270 792	279 986
Total Expenditure	10 556 652	10 989 239	11 422 503	11 874 109

The expenditure budget of the Human and Social Development Cluster increases by 4.1% from the 2023/24 financial year. Below follows the budget per department and municipal entity within the human and social development cluster.

Community Development

Community Development's revenue budget increases by 4.8% to R51.6 million. The expenditure budget increases by 4% to R1.4 billion. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry
 - Service Extension, Reading and Resource Development.
 - Library Services Access.
 - Mass participation and Recreation.
 - Sport Development.
 - Access to Facilities and services.
- Financial sustainability
 - Arts and Culture Heritage Programmes.
 - Service Extension, Reading and Resource Development.
- Infrastructure development and refurbishment
 - Arts and Culture Heritage Programmes.
- Safer city
 - Library Services Access .
- Smart city
 - Service Extension, Reading and Resource Development.

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GROUP FINANCE

Health

The revenue budget increases by 0.1% to R201.3 million mainly due to an increase in licenses and permits. The expenditure budget increases by 4.5% to R1.6 billion. Below is a highlight of programmes that are within the budget:

- Good governance:
 - Management Support / E-Health / Clean Audit.
- Financial sustainability:
 - Management Support / E-Health / Clean Audit.
- Sustainable service delivery:
 - Jozi Ihlomile Program;
 - Maternal Health Care/Children Health Care/HIV and AIDS/ Communicable Disease;
 - Rollout of Mobile Clinics to increase access to primary health care;
 - TB / HIV and AIDS;
 - The expansion of extended hour libraries and clinics within the City; and
 - Initiate and fund localised female dignity packs.
- Job opportunity and creation:
 - Management Support / E-Health / Clean Audit.
- Safer city:
 - Food security that is both improved and safeguarded / Pest Control / Air Pollution.
- Smart city:
 - Management Support / E-Health / Clean Audit.

Social Development

The revenue budget decreases by 94.7% to R395 thousand due to the reduction of the Public Employment Programme (PEP) grant allocation. The expenditure budget increases by 2.1% to R343.5 million. Below is a highlight of programmes that are within the budget:

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- Job opportunity and creation:
 - Skills for jobs and apprenticeship programmes for young people to gain skills and experience.
- Safer city:
 - Training and support for early childhood development;
 - Consistent support and uplifting of marginalised communities such as women, youth, people with disabilities and LGBTQIA+ through coordinated programmes across all departments;
 - Programs and support offered to undocumented migrants;
 - Substance Abuse Treatment Centre Programmes;
 - Substance Abuse Crisis Centre;
 - Professional Training - Substance Abuse;
 - Assist the homeless including shelters, skills development, rehabilitation facilities, and work opportunities in collaboration with NGOs; and
 - A food security programme in partnership with NGOs and the private sector – small scale farming.
- Active and engaged citizenry:
 - Programmes and support services offered to citizens;
 - Programs implemented by qualifying NGOs to the citizens of Johannesburg; and
 - Support for vulnerable residents, including fair rebates on services.
- Sustained economic growth:
 - Urban Agriculture.
- Smart city:
 - Policy Reform Initiatives.

Public Safety

The direct revenue budget increased by 4.4% to R616.2 million. The direct expenditure budget increased by 4.2% to R6.2 billion. Below is a highlight of programmes that are within the budget:

- Safer city;
 - Reduce lawlessness through improved by-law and traffic enforcement;
 - Security services and guarding of property;
 - Ensure effective medical emergency and fire response;

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- Providing relief for disaster areas;
- Ensure effective building inspections and compliance;
- Collection of revenue for vehicle administration; and
- Ensure employee training and development.

- Smart city;
 - Monitoring the city and municipalities properties with cameras; and
 - City safety strategic research.

- Good governance;
 - Monitoring functions of financial services in line with the MFMA;
 - Communication and youth empowerment;
 - Administration of fleet repairs and maintenance of facilities and records management;
 - Fraud and corruption;
 - Ensure ethics and discipline;
 - Training and development of Municipal Police Officers; and
 - Administration of citations and fines.

- Infrastructure development and refurbishment;
 - Providing repairs and maintenance of the city's properties and capital projects.

- Active and engaged citizenry;
 - Ensure community education and empowerment.

Johannesburg City Parks and Zoo

The revenue budget increases by 3.8% to R1.3 billion. The expenditure budget increased by 3.8% to R1.3 billion in line with the consumer price index. The subsidy allocation to City Parks and Zoo increases by 5.3% to R1.1 billion. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
 - Greening programme.

- Job opportunity and creation:
 - Job Creation.

- Safer city:

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GROUP FINANCE

- Outsourced security; and
- Park Rangers.
- Active and engaged citizenry:
 - Environmental Education.

Joburg City Theatres

The revenue of Joburg City Theatres increases by 3.5% to R261.9 million. The Joburg City Theatres subsidy increases by 3.3% to R207.8 million.

The expenditure budget increases by 3.5% to R261.9 million mainly due to increases on inventory consumed to cater increase in cost of sales hiring. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry.
 - Improve and strengthen financial position.
- Financial sustainability
 - Improve and strengthen financial position.
- Good governance
 - Improve and strengthen financial position.

ECONOMIC GROWTH CLUSTER

Economic Growth Cluster Revenue	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Economic Development	82 281	90 690		
Transport	993 766	993 005	1 261 745	1 547 433
Development Planning	97 817	96 648	91 832	92 102
Joburg Market	698 629	734 146	769 343	803 962
Metropolitan Trading Company	547 220	528 928	536 656	556 777
Johannesburg Property Company	1 013 168	1 052 775	1 092 601	1 121 321
Johannesburg Development Agency	132 364	138 016	143 759	149 576
Johannesburg Roads Agency	1 392 879	1 502 008	1 557 701	1 615 190
Metrobus	695 122	721 951	749 433	777 190
Joburg Tourism	92 820	96 247	99 665	103 168
Total Revenue	5 746 066	5 954 414	6 302 735	6 766 719

The revenue budget of the Economic Growth Cluster increases by 3.6%.

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Economic Growth Cluster Expenditure	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Economic Development	177 843	235 682	150 037	155 293
Transport	2 237 785	2 327 514	2 473 494	2 842 842
Development Planning	457 590	478 113	498 321	519 411
Joburg Market	593 784	614 865	635 929	657 112
Metropolitan Trading Company	547 220	528 928	536 656	556 777
Johannesburg Property Company	1 013 168	1 052 775	1 092 601	1 121 321
Johannesburg Development Agency	132 364	138 016	143 759	149 576
Johannesburg Roads Agency	1 445 980	1 502 008	1 557 701	1 615 190
Metrobus	695 122	721 951	749 433	777 190
Joburg Tourism	92 820	96 247	99 665	103 168
Total Expenditure	7 393 676	7 696 099	7 937 596	8 497 880

The expenditure budget of the Economic Growth Cluster increases by 4.1% from the 2023/24 financial year. Below follows the budget per department and municipal entity within the economic development cluster.

Economic Development

The direct revenue budget increases by 10.2% to R90.7 million due to the receipt of the Public Employment Program and EPWP grant allocations. The direct expenditure budget increases by 32.5% to R235.7 million. Below is a highlight of programmes that are within the budget:

- Good governance;
 - More skills for jobs and apprenticeship programs for young people to gain valuable skills and work experience.
- Job opportunity and creation;
 -
 - Opportunity Centres to support businesses and encourage entrepreneurs;
 - Implementation of Informal trading plan from policy and bylaws;
 - Operationalization of opportunity centers, trainings and SMME development;
 - Johannesburg Business Forum (JBF);
 - Operationalization of Alexandra Automotive Hub;
 - Fair access to EPWP opportunities and fair allocation of local contracts; and
 - Public Employment Programmes (PEP).

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GROUP FINANCE

- Sustained economic growth;
 - More skills for jobs and apprenticeship programmes for young people to gain valuable skills and work experience;
 - Targeted Sector Support In line with Regional Economic Development Plans;
 - Investment Attraction and Facilitation Activities;
 - Data Subscriptions: BER, Econometrix, IHS, FDi Markets, Who owns WHOM; and
 - Knowledge Community precinct (Braamfontein/ Auckland Park).

Transport Department

The direct revenue budget decreases by 0.1% to R993 million due to the reduced Public Transport Network Grant (PTNG) allocation. The direct expenditure budget increases by 4% to R2.3 billion. Below is a highlight of programmes that are within the budget:

- Good governance;
 - Financially sustainable and resilient city.
- Sustainable service delivery;
 - Sustainable human settlements; and
 - Improved eco-mobility.
- Safer city;
 - A safe and secure city.
- Active and engaged citizenry;
 - A responsive, accountable, efficient and productive metropolitan government.
- Smart city;
 - A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner.

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GROUP FINANCE

Development Planning

Development Planning's revenue budget decreases by 1.2% to R96.6 million due to the reduction in UN Environment Programme. The expenditure budget increases by 4.5% to R478.1 million mainly due to an increase on operational costs to cater for demolition of Buildings. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry
 - Completion of integrated spatial data portal, spatial plan management and sharing system.
 - Achievement of regeneration programmes for Kliptown and Ivory Park.
- Good governance
 - Processing of land use development applications.
 - Review of Land Use Scheme.
 - Audit of outdoor advertising.
- Green economy
 - Processing of land use development applications.
- Safer city
 - Built environment court orders executed.
 - Review of Municipal Planning Bylaw.
- Smart city
 - Maintenance of Corporate Geo-informatics spatial information
- Sustainable service delivery.
 - Global environment fund.

Joburg Market

The revenue budget increases by 5.1% to R734.1 million. The increase is mainly as results of the increase in rental facilities income and an increase in other revenue. The expenditure budget increase by 3.6% to R614.9 million before taxation. Below is a highlight of programmes that are within the budget:

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GROUP FINANCE

- Good governance;
 - Business Continuity.
- Financial stability;
 - Market Repairs and Maintenance;

Metropolitan Trading Company

Revenue of the entity decreases by 3.3% to R528.9 million and the expenditure budget decreases by 3.3% to R528.9 million. The reduction is mainly due to the reduction in depreciation and taxation. Below is a highlight of programmes that are within the budget:

- Through a smart city to bridge digital gap:
 - Improve connectivity throughout the city to support economic growth by providing free Wi-Fi services to citizens;
 - WIFI Access point rollout 150 access points for a period of three years;
 - Deliver on smart-city implementation programme city-wide; and
 - Through Aggregation Model, consolidate and manage all the City's and entities networks.

Johannesburg Property Company (JPC)

The revenue budget increases by 3.9% to R1.1 billion in line with the budget parameters. The expenditure budget increases by 3.9% to R1.1 billion in line with the increase in revenue. Below is a highlight of programmes that are within the budget:

- Good governance;
 - Legislative compliance
- Sustainable service delivery;
 - SMME support

Johannesburg Development Agency

The revenue of Johannesburg Development Agency increases by 4.3% to R138 million. Expenditure increases in line with revenue by 4.3% to R138 million. The subsidy increases by 3.6% to R74.1 million. Below is a highlight of programmes that are within the budget:

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GROUP FINANCE

Good governance

- Good Governance, Management and Administration.

Johannesburg Roads Agency

The revenue budget increased by 7.8% to R1.5 billion. The expenditure budget increased by 3.9% to R1.5 billion. Below is a highlight of programmes that are within the budget:

- Good governance
 - Creating a responsive administration focused on the delivery of services to the city's residents;
 - Financial transparency and accountability to the citizens of Johannesburg;
- Infrastructure development and refurbishment
 - Freight Programme;
 - Improved Road Safety and Reduced Congestion; and
 - Infrastructure Repair and Maintenance: Traffic Signal Improvement Plan.

Metrobus

The total revenue budget increased by 3.9% to R721.9 million in line with the budget parameters. The total expenditure budget increased by 3.9% to R721.9 million in line with the increase in the revenue budget. Below is a highlight of programmes that are within the budget:

- Good governance;
 - Financially sustainable and resilient city.
- Sustainable service delivery;
 - Improve customer/community satisfaction;
 - Leasing of additional buses; and
 - Guaranteed customer and citizen care and service.
- Safer city;
 - Procurement of independent security provider to guard assets and protect revenues.

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- Active and engaged citizenry;
 - Improve customer/community satisfaction.
- Smart city;
 - Infrastructure improvement strategy: Renovation and maintenance of Metrobus buildings; and
 - Interim AFC, Cashless ticketing system, Digital routes tracking, WiFi on buses.
- Financial Sustainability;
 - Debt restructuring, advertising revenue generation, revenue protection, Interim ticketing system

Johannesburg Tourism Company

The revenue budget increased by 3.7% to R96.2 million. The increase is mainly due to the increase in the CoJ subsidy. The expenditure budget also increased by 3.7% to R96.2 million in line with the increase in revenue. Below is a highlight of programmes that are within the budget:

- Sustained economic growth;
 - Achieve increased visitor numbers into the City of Johannesburg.

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GROUP FINANCE**GOOD GOVERNANCE CLUSTER**

Good Governance Cluster Revenue	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Group Forensic Investigation Services				
Office Of The Ombudsman				
City Manager	47 818	39 977	40 776	43 870
Group Information And Communication Technology				
Group Finance	27 924 428	29 549 238	31 273 034	33 114 665
Group Corporate And Shared Services	30 972	32 622	34 820	36 072
Speaker: Legislative Arm Of Council				
Municipal Entities Accounts	306 703	136 747	142 900	149 331
Total Revenue	28 309 921	29 758 584	31 491 530	33 343 938

The revenue budget of the Good Governance Cluster increases by 5.1%.

Good Governance Cluster Expenditure	Adjusted Budget 2023/24 R 000	Budget 2024/25 R 000	Estimate 2025/26 R 000	Estimate 2026/27 R 000
Group Forensic Investigation Services	111 571	116 074	120 522	125 154
Office Of The Ombudsman	42 710	44 477	46 219	48 036
City Manager	1 843 464	1 893 125	1 954 512	2 018 180
Group Information And Communication Technology	1 030 326	1 065 191	1 099 836	1 135 775
Group Finance	5 804 333	6 061 472	6 314 684	6 578 898
Group Corporate And Shared Services	516 772	584 711	607 516	631 276
Speaker: Legislative Arm Of Council	507 892	530 264	552 296	575 283
Municipal Entities Accounts	1 951 462	2 026 742	2 101 195	2 178 665
Total Expenditure	11 808 530	12 322 056	12 796 780	13 291 267

The expenditure budget of the Good Governance Cluster increases by 4.3%. Below follow the key focus areas for the budget per department within the good governance cluster.

Group Forensic Investigation Services

Group Forensic Investigation Service's expenditure budget increases by 4% to R116.1 million. Below is a highlight of programmes that are within the budget:

- Good Governance that prevents, detects, investigates, and resolves crimes against the City:
 - Prevent all crimes of fraud & corruption, theft of CoJ assets, maladministration, UIFW, illegal connections, breach of security, cybercrime as well as problem/bad/hijacked properties committed against

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GROUP FINANCE

the CoJ. Crime prevention programmes is dependent on residents and stakeholders to report crimes and anti-fraud awareness to reduce occurrence of criminal activities;

- Detect crimes committed against the CoJ will be implement through various mechanisms to discover the alleged crime, identify suspects and gather relevant information/evidence;
- Investigate reported and/pr detected crimes will conducted through investigation methodology where potential evidence will be collected for examination and analysis to establish fact and issue reports with findings and recommendations; and
- Monitor implementation of remedial actions (disciplinary action and recoveries) emanating from finalised investigation report, this includes status of criminal cases reported to SAPS for prosecution.

Ombudsman

Ombudsman's expenditure increases by 4.1% to R44.5 million. Below is a highlight of programmes that are within the budget:

- Good Governance that is responsive, accountable, efficient and productive:
 - Conducting proactive investigations relating to service delivery failures, human rights violations and maladministration complaints and ensure that they are attended and dealt with in a proper manner;
 - Investigating and resolving complaints and disputes for the citizens of Johannesburg in an amicable manner;
 - Ensure the adherence to the principles of procedural fairness and administrative justice by City Departments and Entities;
 - Acknowledging all complaints received from members of public relating to alleged acts of maladministration by the City's administration and its employees, are investigated properly and dealt with; and
 - By organising community outreach programs that educate residents on their human rights and responsibilities.

City Manager

Revenue of the department decreases by 16.4% to R39.9 million due to reduction of Programme and Project Preparation Support Grant and the expenditure budget increases by 2.7% to R1.9 billion. Below is a highlight of programmes that are within the budget:

- Good Governance:
 - Ensure legally sound contracts that protect the interests of the CoJ and promote service delivery;

GROUP FINANCE

- Provide and coordinate support to ME boards, management of the business of the executive and its committees with respect to the service delivery mandate of the MEs;
 - Provide integrated advisory and assurance services on the City's legislated mandate for service delivery, as well as promoting a culture of accountability and responsibility for the management of internal control systems; risk governance and risk management; consistent and effective compliance with regulations, policies, and procedures; and continuous improvement of operational systems; and
 - Cutting wasteful expenditure on non-core functions by monitoring resolution of audit queries raised in the AGSA management letter.
- Active and engaged citizenry:
 - Planning and delivery of streamlined and consistent communications to maximise the reach and impact of the city messages to targeted stakeholders, utilising both traditional as well as innovative communication platforms;
 - To use events and a communication platform to position the City in a positive light and promote Joburg as a brand locally and internationally; and
 - Plan and carry out integrated marketing campaigns of the City.
 - Safer City:
 - Increasing public safety to create security;
 - Creating a city that is honest and open and fights corruption;
 - Ensure successful prosecutions on by-law related infringements; and
 - Reducing petty crimes and enforcing by-laws.
 - Infrastructure development and refurbishment
 - Develop a pipeline of investment ready capital programmes and projects through establishing and institutionalising an effective and efficient system of programme and project preparation.

Group Information and Communication Technology:

Group Information Communication Technology's expenditure budget increases by 3.4% to R1.1 billion mainly due to an allocation for IT related services. Below is a highlight of programmes that are within the budget:

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GROUP FINANCE

Smart city:

- Smart City (ease of doing business in the City): Automation.

Group Finance

Group Finance's revenue budget increases by 5.8% to R29.5 billion. The expenditure increases by 4.4% to R6.1 billion. Below is a highlight of programmes that are within the budget:

- Financial sustainability:
 - Improve governance and attainment of a clean audit;
 - Improvement of profitability and liquidity ratio of the city;
 - Improved customer centricity, customer experience excellence in the new normal;
 - Support for vulnerable residents through fair property rates rebates;
 - Revenue completeness and accuracy, resolution of billing queries as per service level agreement, increasing responsiveness to billing problems; and
 - Maintaining a clean audit outcome, as well as developing and maintaining the city's valuation roll.
- Smart City:
 - Improve customer satisfaction and quality of life through E-Joburg Solutions.

Group Corporate and Shared Services

Group Corporate Shared Service's revenue budget increased by 5.3% to R32.6 million as a result of an increase in training income which will be used to fund additional training expenses. The expenditure budget increases by 13.1% to R584.7 mainly to cater for additional depreciation. The departments programmes that are day-to-day.

Speaker: Legislative Arm of Council

Speaker's Office expenditure budget increases by 4.4% to R 530.3 million. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry:
 - Increase public participation and stakeholder engagement on IDP and Budget process;
 - Publication of all approved By-laws and public participation on By-laws and policies;

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- Providing support to strengthen Sec 79 Committees and Chairpersons in order to enhance oversight and scrutiny over the executive;
- Conduct Civic education sessions for the public on IDP and ward committee elections; and
- Training of Councillors and Ward Committees.

Municipal Entities Accounts

The revenue for the municipal entities accounts decreases by 55% to R136.7 million. The expenditure for the municipal entities accounts increases by 3.9% to R2 billion. The decrease in revenue relates to outdoor advertising revenue that was increased in the 2023/24 financial year to R250 million (no contracts were in place with the service providers, the revenue was received in advance, and it will be converted to revenue as soon as contracts are finalised). The revenue in the 2024/25 financial year is anticipated to be R77.3 million.

4. POLICY IMPLICATIONS

None

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report is in compliance with the provisions of The Municipal Finance Management Act (Act 56 of 2003).

6. FINANCIAL IMPLICATIONS

	Original Budget 2023/24	Adjusted Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
<u>Consolidated Operating Budget (excluding internal transfers)</u>	R 000	R 000	R 000	R 000	R 000
Direct revenue	75 393 870	71 205 653	76 219 482	82 095 182	88 590 057
Direct expenditure	73 299 518	70 082 618	74 630 164	78 770 288	83 777 480
Taxation	80 168	68 977	41 160	43 557	45 517
Capital grants and contributions	3 208 307	3 392 438	3 542 332	3 880 921	2 925 162
Surplus (Deficit) for the year	5 222 491	4 446 496	5 090 490	7 162 259	7 692 222

7. COMMUNICATION IMPLICATIONS

In terms of Section 24 of the MFMA, the Accounting Officer must inter alia, submit the approved budget to National Treasury and Provincial Treasury immediately after the approval of the budget.

The approved budget will also be communicated to the community and various stakeholders in the manner prescribed by law.

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8. OTHER BODIES/DEPARTMENTS CONSULTED

Group Legal and Contracts, all Core Departments and Municipal Entities.

9. KEY PERFORMANCE INDICATOR

Management of the budget process in compliance with the Municipal Finance Management Act Chapter 4.

IT IS RECOMMENDED

1. That the draft consolidated operating revenue of R76.2 billion, operating expenditure of R74.6 billion, taxation of R41.2 million and capital grants and contributions of R3.5 billion for the City of Johannesburg for the financial year 2024/25, and the indicatives for the projected medium-term period 2025/26 to 2026/27 be noted as set out in the following attachments:

1.1 The consolidated operating budget for the City, Core Administration and Municipal Entities as reflected in Annexure A, B and C.

1.2 The operating revenue and expenditure budget by vote for the City as reflected in Annexure D.

2. That the subsidies payable by Core Administration to the following Municipal Entities be noted:

Municipal Entity	Original Budget 2023/24	Adjusted Budget 2023/24	Budget 2024/25	Estimate 2025/26	Estimate 2026/27
	R 000	R 000	R 000	R 000	R 000
Pikitup	1 306 074	1 248 866	1 241 876	1 224 265	1 191 714
Johannesburg Roads Agency	1 323 633	1 310 112	1 415 043	1 466 466	1 519 849
Metrobus	599 576	607 299	629 912	653 252	676 680
Johannesburg City Parks and Zoo	1 142 236	1 057 688	1 113 795	1 152 516	1 192 782
Johannesburg Development Agency	43 041	71 574	74 117	76 830	79 481
Johannesburg Property Company	671 270	623 131	682 267	705 424	716 721
Metropolitan Trading Company	259 136	259 136	225 438	215 502	221 172
Johannesburg Social and Housing Company	48 617	110 687	137 607	141 156	144 920
Joburg City Theatres	183 984	201 182	207 771	214 415	221 293
Joburg Tourism	69 121	69 121	92 370	95 614	98 935
City Power	269 980	269 980	304 375	343 153	386 871
Total subsidies to ME's	5 916 668	5 828 776	6 124 571	6 288 593	6 450 418

3. That the supporting information contained in the 2024/25 – 2026/27 Draft Medium-Term Revenue and Expenditure Budget document as required in terms of Section 17(3) of the Municipal Finance Management Act (Act 56 of 2003) be noted in conjunction with this report.

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GROUP FINANCE

4. That the Accounting Officer:

2.1 In accordance with chapter 4 of the Systems Act:

- (a) Make public the annual consolidated operating budget and other documents referred to in section 17(3) of the MFMA; and**
- (b) Invite the local community to submit representations in connection with the annual consolidated operating budget.**

2.2 Submit the annual consolidated operating budget:

- (a) In both printed and electronic formats to the National and Provincial Treasury; and**
- (b) In either format to any prescribed national or provincial organs of state and to such other municipalities as may be affected by the budget.**

(GROUP FINANCE)

(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURES TO THIS ITEM