

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

84 TABLING OF THE 2025/26 – 2027/28 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 2025/26 to 2027/28 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 2025/26 commenced on 15 November 2024 when budget guidelines were issued. Departments and municipal entities (MEs) were requested to prepare budget proposals, and these budget proposals were then presented to the Technical Budget Steering Committee held on 3-5 and 12 December 2024 and Budget Steering Committee held on 15-16, 20, 22 and 27 January 2025. 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 28 February 2025 using the proposed 2024/25 adjustment budget as a basis to ensure financial sustainability over the medium term.

The Minister of Finance's budget speech was held on 12 March 2025 and the budget does take into account the latest national allocations as reflected in Division of Revenue Bill. 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 2025.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

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. A report on the outcome of the consultation process on the budget and tariffs will be submitted separately in the agenda for Council to consider.

3.2 MEDIUM-TERM OPERATING BUDGET

Medium-Term Budget Direction

The 2025/26 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 2025/26 Medium-Term Budget

The proposed operating revenue budget is approximately R84.6 billion and the operating expenditure budget is totalling R80.5 billion for the 2025/26 financial year. Revenue is increasing by 9% and expenditure by 6.8% over the 2024/25 financial year.

The table below sets out the medium-term revenue and expenditure budget for the 2025/26 - 2027/28 financial years.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

	Original Budget 2024/25 R 000	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	%	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Revenue	76,368,851	77,575,507	84,568,464	9.0%	91,007,005	95,937,057
Internal revenue	10,283,441	11,647,124	12,939,621	11.1%	13,193,144	13,937,833
	86,652,292	89,222,631	97,508,085	9.3%	104,200,149	109,874,890
Expenditure	75,668,756	75,410,990	80,505,791	6.8%	83,603,222	87,505,628
Internal expenditure	10,283,441	11,647,124	12,939,621	11.1%	13,193,144	13,937,833
	85,952,197	87,058,114	93,445,412	7.3%	96,796,365	101,443,461
Surplus (Deficit)	700,096	2,164,517	4,062,674		7,403,783	8,431,430
Taxation	41,160	42,130	44,883		47,523	49,661
Surplus (Deficit) for the year	658,936	2,122,388	4,017,791		7,356,260	8,381,768
Capital grants and contributions	3,694,726	3,813,317	4,194,259		5,074,994	4,289,511
Surplus (Deficit) for the year including capital grants and contributions	4,353,662	5,935,705	8,212,050		12,431,254	12,671,279

The City is budgeting for a surplus (before taxation and capital grants) of R4.1 billion for 2025/26.

Revenue Analysis

In 2024/25, the direct revenues were budgeted at R77.6 billion with revenue estimated to be R84.6 billion in 2025/26.

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework			
R thousand	Original Budget R 000	Adjusted Budget R 000	Budget Year 2025/26 R 000	% Incr.	Budget Year +1 2026/27 R 000	Budget Year +2 2027/28 R 000
EXCHANGE REVENUE						
Service charges - Electricity	21,467,342	22,740,893	25,584,204	12.5%	28,565,800	30,205,076
Service charges - Water	10,632,200	10,632,200	11,889,649	11.8%	12,674,365	13,510,874
Service charges - Waste Water Management	7,246,316	7,246,316	8,101,381	11.8%	8,636,074	9,206,055
Service charges - Waste Management	3,094,069	3,136,349	3,337,410	6.4%	3,551,051	3,774,934
Sale of Goods and Rendering of Services	1,163,316	808,619	983,502	21.6%	1,071,818	1,127,081
Agency services	389,321	389,321	407,228	4.6%	425,956	445,123
Interest earned from Receivables	491,423	549,201	567,356	3.3%	594,438	622,305
Interest earned from Current and Non Current Assets	194,484	191,113	199,899	4.6%	209,088	218,498
Rental from Fixed Assets	431,636	438,397	469,692	7.1%	495,650	520,833
Operational Revenue	929,604	923,423	947,578	2.6%	991,254	1,035,856
NON-EXCHANGE REVENUE						
Property rates	16,988,687	17,338,687	18,136,267	4.6%	18,970,534	19,824,208
Surcharges and Taxes	317,445	317,445	332,047	4.6%	347,321	362,950
Fines, penalties and forfeits	168,996	168,996	176,770	4.6%	184,901	193,221
Licences or permits	3,606	3,817	3,994	4.6%	4,180	4,366
Transfer and subsidies - Operational	8,593,891	8,437,969	8,850,025	4.9%	9,348,835	9,775,969
Interest	121,825	121,825	127,429	4.6%	133,290	139,288
Fuel Levy	4,127,608	4,127,608	4,450,706	7.8%	4,799,123	4,967,092
Operational Revenue						
Gains on disposal of Assets	7,082	3,328	3,328		3,328	3,328
TOTAL DIRECT REVENUE excl. capital grants/contr.	76,368,851	77,575,507	84,568,464	9.0%	91,007,005	95,937,057
Total Internal Transfers	10,283,441	11,647,124	12,939,621	11.1%	13,193,144	13,937,833
TOTAL REVENUE excl. capital grants/contributions.	86,652,292	89,222,631	97,508,085	9.3%	104,200,149	109,874,890

The increase of 9% in total revenue is mainly because of increases in service charges – electricity 12.5%, service charges – water and waste management 11.8%, sales of goods of rendering services 21.6% and the fuel levy 7.8%.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

The table below set out the average tariff increases for major services for 2025/26 - 2027/28 financial years.

Service	Base Year 2024/25	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Property rates	3.80%	4.60%	4.60%	4.50%
Electricity	12.72%	12.41%	5.36%	6.19%
Water	7.70%	13.90%	6.60%	6.60%
Sanitation	7.70%	13.90%	6.60%	6.60%
Refuse	5.90%	6.60%	6.60%	6.50%

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 R25.6 billion (excluding New Connections fees) is a 12.5% increase from the 2024/25 financial year. The increase is based on a proposed average tariff increase for electricity of 12.41% and the strategic drive to reduce total electricity losses by 2.17% from a proposed 28% in the 2024/25 financial year to 25.83% for the 2025/26 financial year.
- **Service charges – water and wastewater management:** The projected water and sewerage revenue is estimated at R20 billion, approximately 11.8% increase from the 2024/25 financial year. The increase is based on an average tariff increase of 13.9%, based on a proposed Rand Water tariff increase of 15.3%. This is subject to the approval of R3.90 per kl being approved for the first 6kl's.
- **Service charges - waste management:** The projected refuse revenue of R3.3 billion is a 6.4% increase from the 2024/25 financial year. The increase is based on a proposed average tariff increase of 6.6%.
- **Sale of goods and rendering of services:** Revenue is increasing by 21.6% mainly due to the operationalization of Phase 1C(a) (approximately R116.4 million additional revenue), and anticipated R30.9 million revenues on asphalt sales.
- **Agency services:** Revenue is increasing by 4.6%.
- **Interest earned from receivables:** Interest increased by R18.2 million in line with payment levels of the city.
- **Interest earned from current and non-current assets:** Interest increased by 4.6% in line with liquidity levels of the city.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Rental from fixed assets: Rental from fixed assets is increasing by approximately 7.1%. The increase in revenue relates to the rental of housing stock (JOSHCO) due to the increase of rental units.
- Operational revenue: Operational revenue reflects an increase of R24.2 million or 2.6%. The tariffs for minor services will increase in line with estimated inflation of 4.6%.

Non-exchange revenue

- Property rates: Property rates: Projected property rates revenue is estimated at R18.1 billion, approximately a 4.6% increase from the 2024/25 financial year. The increase is based on an average property rates tariff increase of 4.6%. The increase includes improvements made to properties, subdivisions, consolidations, and new properties.
- Surcharges and taxes: Revenue is increasing by 4.6%.
- Fines, penalties and forfeits: Revenue is increasing by 4.6%.
- Licences or permits: Revenue is increasing by 4.6%.
- Transfer and subsidies – operational: Operating grants are increasing by R412.1 million or 4.9% from the 2024/25 financial year. The table below reflects the budgets of transfers and subsidies – operational:

Transfer and subsidies - Operational	Original Budget 2024/25 R 000	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	%	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Equitable share	7 571 601	7 571 601	8 140 146	7.5%	8 644 888	9 035 815
Finance Management	1 000	1 000	1 000		1 200	1 400
Programme and Project Preparation Support Grant	39 234	39 521		-100.0%		
Public Transport Network Grant: Opex	634 568	484 568	453 997	-6.3%	443 249	467 699
NDPG Opex: Public Employment Programme (PEP)	85 723	85 723		-100.0%		
EPWP	4 967	4 967	4 000	-19.5%		
Energy Efficiency and Demand Side Management Grant	7 000	7 000	7 000		8 500	9 000
Infrastructure Skills Development	6 000	6 000	9 500	58.3%	9 700	9 900
Recap of Comm Libraries Cond Grant	13 848	2 898	2 987	3.1%	3 103	3 460
Libraries Plan	9 900	9 900	10 400	5.1%	10 900	11 173
Municipal Disaster Response Grant OPEX						
Primary Health	175 113	175 113	183 169	4.6%	191 595	196 385
HIV AIDS	32 120	32 120	33 597	4.6%	35 143	40 556
Environmental Grant		446		-100.0%		
UN Environment Programme Opex	12 307	12 307	3 696	-70.0%		
Other	510	4 805	533		557	581
Total Transfer and subsidies - Operational	8 593 891	8 437 969	8 850 025	4.9%	9 348 835	9 775 969

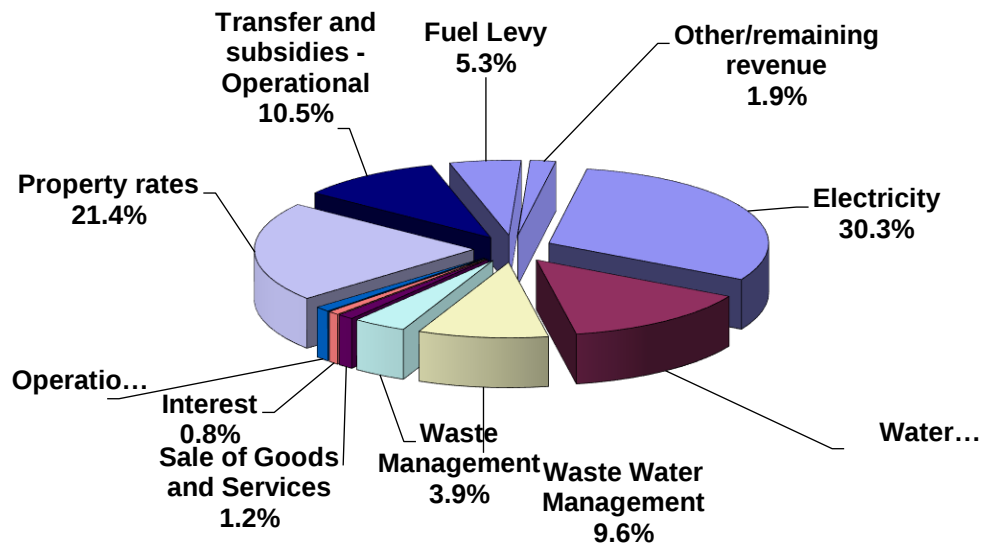
City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Interest: Interest is increasing by 4.6%.
- Fuel levy: The fuel levy is increasing by 7.8%. The city has not yet received the latest allocation letter received from National Treasury and once received it will be included in the final budget that will be submitted to Council during the month of May 2025.
- Gains on disposal of assets remain the same.

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



The 2025/26 revenue budget for property rates, electricity, water, wastewater waste management amounts to R63.7 billion and it represents approximately 75% of the total revenue budget of R84.5 billion.

Expenditure Analysis

The expenditure budget in the current financial amounts to R75.4 billion. 2025/26 presents a budget of R81 billion, an increase of 6.8% from the 2024/25 adjusted budget.

City of Johannesburg Council 2025-03-26/27

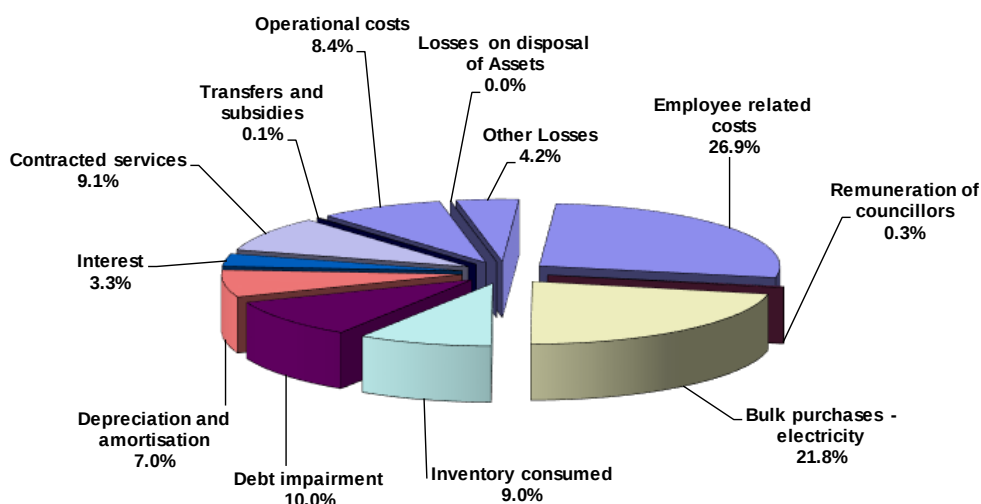
COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework			
R thousand	Original Budget	Adjusted Budget	Budget Year 2025/26	% Incr.	Budget Year +1 2026/27	Budget Year +2 2027/28
	R 000	R 000	R 000		R 000	R 000
EXPENDITURE						
Employee related costs	19 994 316	20 565 521	21 655 102	5.3%	22 813 553	23 840 214
Remuneration of councillors	191 409	191 762	202 021	5.3%	212 829	222 406
Bulk purchases - electricity	15 377 574	15 877 574	17 582 825	10.7%	18 349 436	19 476 091
Inventory consumed	6 378 911	6 460 825	7 234 991	12.0%	7 604 782	8 084 547
Debt impairment	8 679 482	7 344 548	8 076 200	10.0%	8 234 359	8 343 545
Depreciation and amortisation	5 179 147	5 298 690	5 643 271	6.5%	5 898 967	6 164 388
Interest	2 511 836	2 511 959	2 627 256	4.6%	2 748 095	2 871 759
Contracted services	7 507 848	7 362 729	7 309 070	-0.7%	7 327 267	7 604 245
Transfers and subsidies	135 387	99 747	54 392	-45.5%	56 330	47 671
Operational costs	6 761 401	6 711 504	6 737 930	0.4%	6 785 674	7 045 141
Losses on disposal of Assets	7 205	4 140	4 140		4 140	4 140
Other Losses	2 944 240	2 981 991	3 378 592	13.3%	3 567 791	3 801 480
TOTAL DIRECT EXPENDITURE	75 668 756	75 410 990	80 505 791	6.8%	83 603 222	87 505 628

The increase of 6.8% in expenditure is a result of the increase in employee related cost 5.3%, remuneration of councillors 5.3%, bulk electricity purchases 10.7% (Eskom/Kelvin Power Station), inventory consumed 12% which includes the water purchases from Rand Water, debt impairment 10%, depreciation 6.5%, interest 4.6%, contracted services -0.7%, transfer and subsidies paid decreased by 45.5% (mainly due to the reduction of the Programme Project Preparation Support Grant, Public Employment Program and EPWP grant allocations), operational costs increased by 0.4%, losses on disposal of assets remains the same and other losses increase by 5.7% (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.



City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Financial Position

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

Financial position	Original Budget 2024/25 R million	Adjusted Budget 2024/25 R million	Budget 2025/26 R million	Estimate 2026/27 R million	Estimate 2027/28 R million
Total current assets	17 907	17 018	19 674	31 844	43 706
Total non current assets	92 903	95 496	97 702	100 642	103 251
Total current liabilities	16 473	21 503	16 581	17 240	18 072
Total non current liabilities	26 536	28 699	29 516	30 747	30 873
Community wealth/equity	67 801	62 312	71 280	84 500	98 013

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

Cash Flow

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

Cash flow	Original Budget 2024/25 R million	Adjusted Budget 2024/25 R million	Budget 2025/26 R million	Estimate 2026/27 R million	Estimate 2027/28 R million
Net cash from (used) operating	7 974	3 555	10 562	19 224	19 685
Net cash from (used) investing	(6 165)	(6 809)	(7 408)	(8 382)	(8 295)
Net cash from (used) financing	979	3 819	(111)	1 286	439
Cash/cash equivalents at the year begin:	878	2 166	2 731	5 774	17 902
Cash/cash equivalents at the year end	3 665	2 731	5 774	17 902	29 731

The cash of the City is projected to be approximately R5.8 billion at the end of the 2025/26 financial year and increasing to R29.8 billion in the outer year.

The following Budget Assumptions were made:

CPI is estimated at 4.6% for 2025/26 and 4.6% for 2026/27 and 4.5% for the 2027/28 financial year.

Estimated salary increases are estimated at:

- 5.35% - 2025/26.
- 5.35% - 2026/27.
- 4.50% - 2027/28.

Loans interest rates are estimated at 10.17% for 2025/26, 10.09% for 2026/27 and 10.00% for 2027/28.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Bulk purchases – Electricity, City Power has assumed a tariff increase 12.74%, Kelvin Power tariff price of R1.91 and a conservative total volumes growth estimated at 0%. The cost of water purchases from Rand Water is expected to increase by 15.3%. Rand Water purchases are reflected under inventory consumed in terms of mSCOA classifications.

The increase of debt impairment by 10% is in line with the projected average collection rate of 88.6% for rates and services.

Depreciation and amortisation increase by 6.5%.

Interest is increasing by 4.6% over the 2024/25 financial year.

Contracted services decrease by 0.7%.

Transfers and subsidies paid are decreasing by 45.5% and it is mainly due to the reduction of the Public Employment Program and EPWP grant allocations reflected in the budget of Economic Development.

Operational costs are increasing by 0.4%.

Losses on disposal of assets remains the same.

Other losses are increasing by 13.3% 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 growth percentage of the various departments within the Core Administration is based on direct revenue or expenditure (excluding internal transfers) and for the MEs it is based on total revenue or expenditure (including taxation) or subsidies received.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE**SUSTAINABLE CLUSTER**

Sustainable Cluster Revenue	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Environment And Infrastructure	25 699	16 679	18 625	19 581
Human Settlements	121 826	127 430	133 291	139 289
City Power	23 218 179	26 862 355	29 905 036	31 627 984
Johannesburg Water	18 840 349	20 996 325	22 361 290	24 105 457
Pikitup	4 474 093	4 664 836	4 831 494	5 045 177
Johannesburg Social Housing Company	400 584	415 415	430 952	450 349
Total Revenue	47 080 730	53 083 040	57 680 688	61 387 837

The Sustainable Cluster's revenue budget increases by 12.7% from the 2024/25 financial year.

Sustainable Cluster Expenditure	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Environment And Infrastructure	147 185	154 045	161 269	168 184
Human Settlements	1 112 083	1 146 900	1 183 412	1 228 811
City Power	22 692 783	24 915 148	25 728 574	26 952 460
Johannesburg Water	18 036 921	19 917 992	20 858 544	22 002 612
Pikitup	4 474 093	4 664 836	4 831 494	5 045 177
Johannesburg Social Housing Company	400 584	415 415	430 952	450 349
Total Expenditure	46 863 649	51 214 336	53 194 245	55 847 593

The Sustainable Cluster's expenditure budget increases by 9.3% from the 2024/25 financial year. The increase is mainly due to the provision bulk purchases for electricity 10.7%, inventory consumed 12% and debt impairment in line with the projected average collection rate of 88.6% for rates and services. Below follow details of the expenditure budget per department and municipal entity within the sustainable cluster:

Environment and Infrastructure

The revenue budget decreases by 35.1% to R16.7 million due to the reduction of the Public Employment Programme (PEP) grant allocation. The expenditure budget increases by 4.7% to R154.1 million. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
 - Water and biodiversity management;
 - Impact management and compliance;
 - Waste management; and
 - Air quality, climate change.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Good governance:
 - Strategic coordination and support.
- Energy mix:
 - Energy.

Human Settlements

The direct revenue budget increases by 4.6% to R127.4 million in line with the indicative budget allocations. The direct expenditure budget increases by 3.1% R1.1 billion. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery;
 - Upgrading of Informal Settlements;
 - 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 surplus after taxation (excluding capital grants and contributions) amounts to R1.9 billion. Service charges - electricity: The projected electricity revenue of R25.6 billion (excluding New Connections fees) is a 12.5% increase from the 2024/25 financial year. The revenue budget increase by 12.5% compared to 2024/25 financial year budget. The increase is based on a proposed average tariff increase for electricity of 12.41% and the strategic drive to reduce total electricity losses by 2.17% from a proposed 28% in the 2024/25 financial year to 25.83% for the 2025/26 financial year.

The expenditure budget increases by 9.8% to R24.9 billion mainly as a result of the bulk purchase price increase due to the Eskom tariff increase of 12.74%, Kelvin Power tariff price of R1.91 and a conservative total volumes growth estimated at 0% as well as an increase of 15.8% in debt impairment based on the collection levels of 97.5%. Below is a highlight of programmes that are within the budget:

- Good governance:
 - Risk governance and compliance.
- Sustainable service delivery:
 - Improve quality of service; and

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Streetlight repairs.
- Infrastructure development and refurbishment:
 - Improve quality of supply; and
 - Sustainable energy.
- Financial sustainability:
 - Financial sustainability.
- Energy mix:
 - Sustainable energy; and
 - Improve quality of service.
- Job opportunity and creation:
 - People development.
- Safer city:
 - Improve quality of service.
- Active and engaged citizenry:
 - Improve quality of service.
- Smart city:
 - People development; and
 - Smart utility.

Johannesburg Water

The expected surplus (excluding capital grants and contributions) amounts to R1.1 billion. Service charges - water and sewerage: The projected water and sewerage revenue is estimated at R20 billion, approximately 11.8% increase from the 2024/25 financial year. The increase is based on an average tariff increase of 13.9%, based on a proposed Rand Water tariff increase of 15.3%. This is subject to the approval of R3.90 per kl being approved for the first 6kl's.

The expenditure budget increases by 10.4% to R19.9 billion mainly due to an increase of 15.3% for the water purchase price from Rand Water, an increase of 11.6% in debt impairment based on the collection levels of 75.2% and an estimated 13.3% increase on water losses. Below is a highlight of programmes that are within the budget:

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- 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.
- 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 4.9% to R4.7 billion. Service charges - refuse: The projected refuse revenue of R3.3 billion is a 6.4% increase from the 2024/25 financial year. The increase is based on a proposed average tariff increase of 6.4%.

The expenditure budget increases by 4.9% to R4.7 billion mainly to cater for inventory consumed and an increase of 6.4% in debt impairment based on the collection levels of 75.6%. The subsidy allocation to Pikitup increases by 0.9% to R1.2 billion. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
 - Waste management / environmental protection - waste management.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Johannesburg Social Housing Company (JOSHCO)

The revenue budget increases by 3.7% to R415.4 million in line with the indicative budget allocations. The expenditure budget increases by 3.7% to R415.4 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.
- 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 with laws and regulations; and
 - Number of employee development initiatives.

HUMAN AND SOCIAL DEVELOPMENT CLUSTER

Human and Social Development Cluster Revenue	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Community Development	46 723	48 870	51 119	53 416
Health	210 810	220 509	230 655	241 032
Social Development	6 395	413	432	451
Public Safety	615 740	644 062	673 684	703 997
Johannesburg City Parks And Zoo	1 359 812	1 415 306	1 468 493	1 534 390
Joburg City Theatres	323 953	332 591	341 597	356 968
Total Revenue	2 563 433	2 661 751	2 765 980	2 890 254

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

The revenue budget of the Human and Social Development Cluster increases by 3.8% from the 2024/25 financial year.

Human and Social Development Cluster Expenditure	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Community Development	1 359 520	1 409 826	1 462 722	1 521 060
Health	1 589 318	1 669 329	1 753 605	1 831 014
Social Development	365 031	376 580	391 719	407 634
Public Safety	6 295 590	6 565 786	6 850 388	7 134 150
Johannesburg City Parks And Zoo	1 359 812	1 415 306	1 468 493	1 534 390
Joburg City Theatres	323 953	332 591	341 597	356 968
Total Expenditure	11 293 224	11 769 418	12 268 524	12 785 216

The expenditure budget of the Human and Social Development Cluster increases by 4.2% from the 2024/25 financial year. Below follows the budget per department and municipal entity within the human and social development cluster.

Community Development

The revenue budget increases by 4.6% to R48.9 million. The expenditure budget increases by 3.7% to R1.4 billion as a result of funding to operationalize various facilities. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry:
 - Arts and culture heritage programmes;
 - Head office;
 - Service extension, reading and resource development;
 - Mass participation and recreation;
 - Sport development; and
 - Access to facilities and services.
- Financial sustainability:
 - Library services access;
 - Service extension, reading and resource development; and
 - Access to facilities and services.
- Infrastructure development and refurbishment:
 - Library services access;
 - Bibliographic and distribution services; and
 - Access to facilities and services.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Smart city:
 - Service extension, reading and resource development.

Health

The revenue budget increases by 4.6% to R220.5 million mainly due to an increase in licenses or permits. The expenditure budget increases by 5.1% to R1.7 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;
 - Management support / e-health / clean audit;
 - 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.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Social Development

The revenue budget decreases by 93.5% to R413 thousand due to the reduction of the Public Employment Programme (PEP) grant allocation. The expenditure budget increases by 3.2% to R376.6 million. Below is a highlight of programmes that are within the budget:

- 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:
 - Programs implemented by qualifying NGOs to the citizens of Johannesburg;
 - Support for vulnerable residents, including fair rebates on services; and
 - Programmes and support services offered to citizens; and
 - Policy reform initiatives
- Sustained economic growth:
 - Urban agriculture.
- Smart city:
 - Policy reform initiatives.

Public Safety

The direct revenue budget increased by 4.6% to R644.1 million due in line with the indicative budget allocations. The direct expenditure budget increased by 4.3% to R6.6 billion. Below is a highlight of programmes that are within the budget:

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Safer city;
 - Reduce lawlessness through improved by-law and traffic enforcement;
 - Security services and guarding of property;
 - Ensure effective medical emergency and fire response;
 - 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 4.1% to R1.4 billion. The expenditure budget increases by 4.1% to R1.4 billion in line with revenue. The subsidy allocation to City Parks and Zoo increases by 5.7% to R1.2 billion. Below is a highlight of programmes that are within the budget:

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Sustainable service delivery:
 - Greening programme.
- Job opportunity and creation:
 - Job creation.
- Safer city:
 - Insourced security;
 - Outsourced security; and
 - Park rangers.
- Active and engaged citizenry:
 - Environmental education.

Joburg City Theatres

The revenue budget increases by 2.7% to R332.6 million. The expenditure budget increases by 2.7% to R332.6 million in line with revenue. The subsidy allocation to Joburg City Theatres increases by 1.5% to R211.5 million. 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.
- Job opportunity and creation:
 - Job opportunities and creation.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE**ECONOMIC GROWTH CLUSTER**

Economic Growth Cluster Revenue	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Economic Development	65 690	4 000		
Transport	589 643	675 462	695 472	738 240
Development Planning	98 448	93 799	94 248	98 490
Joburg Market	748 380	782 843	818 818	855 665
Metropolitan Trading Company	527 656	549 038	568 679	594 267
Johannesburg Property Company	1 169 743	1 211 202	1 243 084	1 299 023
Johannesburg Development Agency	143 108	149 523	156 090	163 115
Johannesburg Roads Agency	1 619 040	1 671 729	1 736 518	1 814 662
Metrobus	766 846	779 815	808 677	845 068
Joburg Tourism	103 851	107 754	111 797	116 828
Total Revenue	5 832 405	6 025 165	6 233 383	6 525 358

The revenue budget of the Economic Growth Cluster increases by 3.3%.

Economic Growth Cluster Expenditure	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Economic Development	185 464	161 183	168 143	175 190
Transport	1 860 786	1 850 760	1 861 609	1 930 409
Development Planning	490 088	512 833	536 764	559 877
Joburg Market	640 217	660 452	681 462	712 124
Metropolitan Trading Company	527 656	549 038	568 679	594 267
Johannesburg Property Company	1 169 743	1 211 202	1 243 084	1 299 023
Johannesburg Development Agency	143 108	149 523	156 090	163 115
Johannesburg Roads Agency	1 619 040	1 671 729	1 736 518	1 814 662
Metrobus	766 846	779 815	808 677	845 068
Joburg Tourism	103 851	107 754	111 797	116 828
Total Expenditure	7 506 799	7 654 289	7 872 823	8 210 563

The expenditure budget of the Economic Growth Cluster increases by 2% from the 2024/25 financial year. Below follows the budget per department and municipal entity within the economic development cluster.

Economic Development

The revenue budget is allocated R4 million for the Expanded Public Works Programme (EPWP) and there is no allocation for the Public Employment Programme (PEP). The direct expenditure budget decreases by 13.1% to R161.2 million mainly due to the reduction of the Public Employment Program and EPWP grant allocations.

- Good governance;
 - More skills for jobs and apprenticeship programs for young people to gain valuable skills and work experience.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- 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, training 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).
- 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 increases by 14.6% to R675.5 million due to the increase in the Sale of Goods and Rendering of Services revenue. The Public Transport Network Grant reduced to R454 million compared to R484 million in 2024/25. The direct expenditure budget decreases by 0.5% to R1.9 billion in line with the indicative budget allocations and the reduction in the PTNG. 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.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- 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.

Development Planning

The revenue budget decreases by 4.7% to R93.8 million due to the reduction of the United Nations Environment Fund. The expenditure budget increases by 4.6% to R512.8 million. 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; and
 - Achievement of regeneration programmes for Kliptown and Ivory Park.
- Good governance:
 - Processing of land use development applications; and
 - Review of land use scheme.
- Green economy:
 - Implementation of the green building policy.
- Smart city:
 - Maintenance of corporate geo-informatics spatial information.
- Sustainable service delivery:
 - Global environment fund.
- Sustained economic growth:
 - Processing of building plans.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Joburg Market

The revenue budget increases by 4.6% to R782.8 million. The increase is mainly as result of the increase in rental facilities income and an increase in other revenue. The expenditure budget increase by 3.2% to R660.5 million before taxation. Below is a highlight of programmes that are within the budget:

- Good governance;
 - Business continuity.
- Financial stability;
 - Market repairs and maintenance;

Metropolitan Trading Company

Revenue of the entity increases by 4.1% to R549 million and the expenditure budget increases by 4.1% to R549 million. 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 by onboarding the SMME in MTC Broadband, the entity will contribute to the creation of jobs within Johannesburg;
 - WIFI Access point rollout 150 access points to ensure connectivity in public spaces at least 150 diameters 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 3.5% to R1.2 billion in line with the budget parameters. The expenditure budget increases by 3.5% to R1.2 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

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Johannesburg Development Agency

The revenue budget increases by 4.5% to R149.5 million due to an increase in project management fees. The expenditure budget increases by 4.5% to R149.5 million in line with revenue. The subsidy allocation to Johannesburg Development Agency increases by 4.3% to R68.6 million. Below is a highlight of programmes that are within the budget:

- Good governance:
 - Good governance, management and administration.
- Infrastructure development and refurbishment:
 - Accelerated public infrastructure delivery programme/ strategic economic node delivery programme.

Johannesburg Roads Agency

The revenue budget increased by 3.3% to R1.7 billion in line with the indicative budget allocations. The expenditure budget also increased by 3.3% to R1.7 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 1.7% to R779.8 million in line with the budget parameters. The total expenditure budget increased by 1.7% to R779.8 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.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- 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.
- 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 3.8% to R107.8 million due to the increase in the CoJ transfers and subsidies in line with budgeted expenditure. The expenditure budget increased by 3.8% to R107.8 million in line with the budget parameters. Below is a highlight of programmes that are within the budget:

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

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE**GOOD GOVERNANCE CLUSTER**

Good Governance Cluster Revenue	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Group Forensic Investigation Services				
Office Of The Ombudsman				
City Manager	51 628			
Group Information And Communication Technology				
Group Finance	29 729 268	31 450 249	33 171 092	34 617 853
Group Corporate And Shared Services	32 710	37 440	38 925	40 440
Speaker: Legislative Arm Of Council				
Municipal Entities Accounts	181 570	189 922	198 658	207 598
Total Revenue	29 995 176	31 677 611	33 408 675	34 865 891

The revenue budget of the Good Governance Cluster increases by 5.6%.

Good Governance Cluster Expenditure	Adjusted Budget 2024/25 R 000	Budget 2025/26 R 000	Estimate 2026/27 R 000	Estimate 2027/28 R 000
Group Forensic Investigation Services	119 792	124 494	129 446	134 649
Office Of The Ombudsman	44 808	46 634	48 552	50 524
City Manager	1 997 851	1 981 779	2 035 524	2 109 911
Group Information And Communication Technology	1 160 287	1 189 221	1 219 523	1 263 470
Group Finance	5 801 710	6 041 811	6 195 656	6 356 802
Group Corporate And Shared Services	623 466	679 131	705 613	733 863
Speaker: Legislative Arm Of Council	531 993	557 175	583 694	608 816
Municipal Entities Accounts	2 026 742	2 115 420	2 208 175	2 305 563
Total Expenditure	12 306 649	12 735 665	13 126 183	13 563 598

The expenditure budget of the Good Governance Cluster increases by 3.5%. The increase is mainly due to the provision for debt impairment in line with the projected average collection rate of 88.6% for rates and services. 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 3.9% to R124.5 million. Below is a highlight of programmes that are within the budget:

- Integrity management to promote Good Governance to prevent, detect, investigate, and resolve alleged crimes committed against the City:
 - Prevent all crimes of fraud and corruption, theft of CoJ assets, maladministration, UIFW, breach of security, cybercrime as well as problem/bad/hijacked building committed against the CoJ. Crime prevention programmes will include anti-fraud awareness outreach programmes to educate, inform, and collaborate with internal and external

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

stakeholders to combat corruption in the City. Further, Minimum Information Security Standards (MISS) compliance with emphasis on Personnel Security (Chapter 5 of the MISS Document).

- Detect crimes committed against the CoJ will be implement through the 24/7 Anti-corruption Hotline and other various mechanisms to discover the alleged crime committed against the City and allocate for investigation;
- Conduct forensic investigations on the reported and/or detected crimes in line with the investigation methodology where potential evidence will be collected for examination and analysis to establish fact and issue a forensic report with findings and recommendations to the affected Departments and/or Entities for implementation; 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 R46.6 million. Below is a highlight of programmes that are within the budget:

- To promote good governance, sustainable service delivery and an active and engaged citizenry, contributing towards a City administration that is responsive, accountable, efficient and productive promoting by:
 - Ensuring that all complaints relating to alleged acts of maladministration where members of the public are alleged to have suffered any injustice as a result of such maladministration, are investigated and the City's administration is held to account;
 - 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;
 - Make recommendations to Council to enhance the promotion of human rights;
 - Investigating complaints of human rights violations by the City's administration and seek appropriate redress;
 - Ensuring the adherence to the principles of procedural fairness and administrative justice by City Departments and Entities; and
 - Conducting community outreach programs that educate residents on their human rights and responsibilities.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

City Manager

The expenditure budget decreases by 0.8% to R2 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;
 - 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.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

- Urban20 2025 Summit
 - Economic Growth and Financing by unlocking investment and creating jobs;
 - Social inclusion and Equity – creating cities that work for everyone;
 - Digital Transformation – smart innovative solutions; and
 - Climate Action and Resilience – green and more sustainable cities.

Group Information and Communication Technology:

The expenditure budget increases by 2.5% to R1.2 billion. Below is a highlight of programmes that are within the budget:

- Smart city:
 - Subsidised education - staff empowerment.
 - Connectivity of the City: Wi-Fi Hotspot t and new MPLS network roll out; and
 - Smart City (ease of doing business in the City): Automation.

Group Finance

Group Finance's revenue budget increases by 5.8% to R31.5 billion. The expenditure increases by 4.1% to R6 billion mainly due to the provision for debt impairment in line with the projected average collection rate of 88.6% for rates and services. 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.

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

Group Corporate and Shared Services

The revenue budget increased by 14.5% to R37.4 million as a result of an increase in training income which will be used to fund additional training expenses. The expenditure budget decreases by 3.9% to R679.1 million due to the reduction of the central locomotion allowance. The department's programmes are day-to-day activities.

Speaker: Legislative Arm of Council

Speaker's Office expenditure budget increases by 4.7% to R 557 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;
 - 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 in the 2025/26 financial year increases by 4.6% to R189.9 million. The expenditure for the municipal entities accounts increases by 4.4% to R2.1 billion.

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).

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

6. FINANCIAL IMPLICATIONS

	Original Budget 2024/25	Adjusted Budget 2024/25	Budget 2025/26	Estimate 2026/27	Estimate 2027/28
<u>Consolidated Operating Budget (excluding internal transfers)</u>	R 000	R 000	R 000	R 000	R 000
Direct revenue	76,368,851	77,575,507	84,568,464	91,007,005	95,937,057
Direct expenditure	75,668,756	75,410,990	80,505,791	83,603,222	87,505,628
Taxation	41,160	42,130	44,883	47,523	49,661
Capital grants and contributions	3,694,726	3,813,317	4,194,259	5,074,994	4,289,511
Surplus (Deficit) for the year	4,353,662	5,935,705	8,212,050	12,431,254	12,671,279

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.

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 R84.6 billion, operating expenditure of R80.5 billion, taxation of R44.9 million and capital grants and contributions of R4.2 billion for the City of Johannesburg for the financial year 2025/26, and the indicatives for the projected medium-term period 2026/27 to 2027/28 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.**

City of Johannesburg Council 2025-03-26/27

COJ : MAYORAL COMMITTEE 2025-03-25

GROUP FINANCE

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

Municipal Entity	Original Budget 2024/25	Adjusted Budget 2024/25	Budget 2025/26	Estimate 2026/27	Estimate 2027/28
	R 000	R 000	R 000	R 000	R 000
Pikitup	1 207 377	1 213 075	1 195 477	1 140 794	1 122 510
Johannesburg Roads Agency	1 394 601	1 432 075	1 465 600	1 498 107	1 566 444
Metrobus	622 766	659 660	667 698	691 403	722 518
Johannesburg City Parks and Zoo	1 098 723	1 171 808	1 238 992	1 284 228	1 341 988
Johannesburg Development Agency	72 166	65 715	68 570	71 413	74 627
Johannesburg Property Company	656 397	695 732	790 128	801 641	837 714
Metropolitan Trading Company	224 616	224 856	227 869	233 044	243 528
Johannesburg Social and Housing Company	133 501	143 863	140 081	138 590	141 951
Joburg City Theatres	205 358	208 443	211 540	215 105	224 725
Joburg Tourism	91 320	90 651	101 269	105 014	109 740
City Power	304 375	304 375	343 152	361 545	383 925
Total subsidies to ME's	6 011 201	6 210 253	6 450 376	6 540 884	6 769 670

3. That the supporting information contained in the 2025/26 – 2027/28 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.

4. That the Accounting Officer:

4.1 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.

4.2 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)
(Ntuthuzelo April)
(DIRECTOR: GROUP BUDGET AND PLANNING)
(Tel. 081 352 9394)
(tc)

THE NEXT ITEM FOLLOWS THE ANNEXURES TO THIS ITEM