City of Johannesburg Council 2026-05-28

COJ : MAYORAL COMMITTEE 2026-05-25

GROUP FINANCE

3A THE 2026/27 – 2028/29 MEDIUM-TERM OPERATING BUDGET

1. STRATEGIC THRUST

Good Governance
Financial Sustainability

2. OBJECTIVE

The medium-term budget and related documentation for the 2026/27 to 2028/29 financial years are submitted to Council for consideration in terms of section 24 (1 and 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 2026/27 commenced on 6 November 2025 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 Budget Steering Committee held on 15, 19-20 and 23 January 2026. 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 17 March 2026 using the proposed 2025/26 adjustment budget as a basis to ensure financial sustainability over the medium term.

The Minister of Finance's budget speech was held on 25 February 2026, and the budget does take into account the latest national and provincial allocations as reflected in the Gazettes.

Consultation Process

The draft medium-term budget for 2026/27 – 2028/29 was tabled at Council on 31 March 2026 for consultation both externally and internally. After tabling of the budget, the draft budget and proposed tariffs were publicised for stakeholders and public comments. A report on the outcome of the consultation process on the budget and tariffs will be submitted separately on the agenda for Council to consider.

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3.2 MEDIUM-TERM OPERATING BUDGET

Medium-Term Budget Direction

The 2026/27 medium-term budget will focus on the following key political strategic priorities:

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

Overview of the 2026/27 Medium-Term Budget

The proposed operating revenue budget is approximately R90.4 billion and the operating expenditure budget is totalling R88.3 billion for the 2026/27 financial year. Revenue is increasing by 6.5% and expenditure by 8.1% over the 2025/26 financial year.

The table below sets out the medium-term revenue and expenditure budget for the 2026/27 - 2028/29 financial years.

	Original Budget 2025/26 R 000	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	%	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Revenue	84 820 301	84 848 273	90 361 477	6.5%	95 519 502	99 830 998
Internal revenue	12 940 245	13 641 373	13 718 798	0.6%	14 315 472	14 836 357
	97 760 546	98 489 645	104 080 275	5.7%	109 834 974	114 667 355
Expenditure	80 669 613	81 651 602	88 295 192	8.1%	93 129 146	97 385 648
Internal expenditure	12 940 245	13 641 373	13 718 798	0.6%	14 315 472	14 836 357
	93 609 858	95 292 975	102 013 990	7.1%	107 444 617	112 222 006
Surplus (Deficit)	4 150 688	3 196 671	2 066 285		2 390 356	2 445 350
Taxation	44 883	44 883	23 995		27 542	27 444
Surplus (Deficit) for the year	4 105 805	3 151 788	2 042 290		2 362 814	2 417 906
Capital grants and contributions	4 100 420	4 550 032	4 997 911		4 450 744	4 662 282
Surplus (Deficit) for the year including capital grants and contributions	8 206 225	7 701 820	7 040 201		6 813 558	7 080 188

The city is budgeting for a surplus (before taxation and capital grants) of R2 billion for 2026/27.

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Revenue Analysis

In 2025/26, the direct revenues were budgeted at R84.8 billion with revenue estimated to be R90.4 billion in 2026/27.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
R thousand	Original Budget R 000	Adjusted Budget R 000	Budget Year 2026/27 R 000	% Incr.	Budget Year +1 2027/28 R 000	Budget Year +2 2028/29 R 000
EXCHANGE REVENUE						
Service charges - Electricity	25 584 204	25 584 204	27 792 121	8.6%	30 226 711	31 919 407
Service charges - Water	11 889 649	11 889 649	12 504 345	5.2%	13 329 632	14 209 387
Service charges - Waste Water Management	8 101 381	8 101 381	8 992 533	11.0%	9 586 042	10 218 721
Service charges - Waste Management	3 337 410	3 356 641	3 557 936	6.0%	3 780 893	4 021 597
Sale of Goods and Rendering of Services	983 502	975 386	1 074 657	10.2%	1 139 952	1 168 711
Agency services	407 228	407 228	421 074	3.4%	434 548	448 454
Interest earned from Receivables	567 356	552 655	567 141	2.6%	587 396	608 138
Interest earned from Current and Non Current Assets	199 899	198 326	205 089	3.4%	211 681	218 323
Rental from Fixed Assets	469 692	471 647	487 945	3.5%	503 486	519 626
Operational Revenue	947 578	948 157	1 067 254	12.6%	1 099 620	1 134 482
NON-EXCHANGE REVENUE						
Property rates	18 136 267	18 136 267	18 752 900	3.4%	19 352 993	19 972 289
Surcharges and Taxes	332 047	332 047	343 336	3.4%	354 323	365 662
Fines, penalties and forfeits	176 770	176 874	182 906	3.4%	188 774	194 815
Licences or permits	3 994	3 758	3 892	3.6%	4 018	4 149
Transfer and subsidies - Operational	8 980 278	9 011 475	9 606 045	6.6%	9 951 146	10 142 202
Interest	127 429	127 429	131 762	3.4%	135 978	140 330
Fuel Levy	4 572 290	4 572 290	4 667 684	2.1%	4 629 451	4 541 847
Operational Revenue						
Gains on disposal of Fixed and Intangible Assets	3 328	2 858	2 858		2 858	2 858
TOTAL DIRECT REVENUE excl. capital grants/contr.	**84 820 301**	**84 848 273**	**90 361 477**	**6.5%**	**95 519 502**	**99 830 998**

The increase of 6.5% in total revenue is mainly because of increases in service charges – electricity 8.6%, service charges for water 5.2%, wastewater management 11%, waste management 6%, sales of goods of rendering services 10.2%, operational revenue 12.6% and transfers and subsidies 6.6%.

The table below set out the average tariff increases for major services for 2026/27 - 2028/29 financial years.

Service	Base Year 2025/26	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property rates	4.60%	3.60%	3.20%	3.20%
Electricity	12.41%	8.63%	8.76%	5.60%
Water	13.90%	12.50%	6.60%	6.60%
Sanitation	13.90%	11.00%	6.60%	6.60%
Refuse	6.60%	6.20%	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 R27.8 billion is an 8.6% increase from the 2025/26 financial year. The increase is based on a proposed average tariff increase for electricity of 8.63% and the strategic drive to reduce total electricity losses to a level of 25% in the 2026/27 financial year.

- Service charges – water and wastewater management: The projected water and sewerage revenue are estimated at R21.5 billion, approximately 7.5% increase from the 2025/26 financial year. The increase is based on an average tariff increase of 12.5% for water, 11% for wastewater and an anticipated water service revenue shortfall in the 2025/26 financial year.

- Service charges - waste management: The projected refuse revenue of R3.6 billion is an 6% increase from the 2025/26 financial year. The increase is based on a proposed average tariff increase of 6.2%.

- Sale of goods and rendering of services: Revenue is increasing by 10.2% mainly due to the operationalization of Phase 1C (approximately R49.6 million additional revenue), and anticipated R30.1 million revenues on asphalt sales.

- Agency services: Revenue is increasing by 3.4%.

- Interest earned from receivables: Interest increased by R14.5 million in line with payment levels of the city.

- Interest earned from current and non-current assets: Interest increased by 3.4% in line with liquidity levels of the city.

- Rental from fixed assets: Rental from fixed assets is increasing by approximately 3.5%.

- Operational revenue: Operational revenue reflects an increase of 12.6%. The increase is mainly for anticipated revenue generated from the operationalisation and management of JITI (Transport Department).

- The tariffs for minor services will increase in line with estimated inflation of 3.4%.

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Non-exchange revenue

- Property rates: Property rates: Projected property rates revenue is estimated at R18.8 billion, approximately a 3.4% increase from the 2025/26 financial year. The increase is based on an average property rates tariff increase of 3.6%. The increase includes improvements made to properties, subdivisions, consolidations, and new properties.

- Surcharges and taxes: Revenue is increasing by 3.4%.

- Fines, penalties and forfeits: Revenue is increasing by 3.4%.

- Licences or permits: Revenue is increasing by 3.6%.

- Transfer and subsidies – operational: Operating grants are increasing by R594.6 million or 6.6% from the 2025/26 financial year. The table below reflects the budgets of transfers and subsidies – operational:

Transfer and subsidies - Operational	Original Budget 2025/26 R 000	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	%	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Equitable share	8 140 146	8 140 146	8 650 870	6.3%	9 153 951	9 282 521
Finance Management	1 000	1 000	1 200	20.0%	1 400	1 600
Urban Development Financing Grant - PPPSG	56 627	56 627	100 000			
Urban Development Financing Grant - Opex		33 313		-100.0%		
Urban Development Financing Grant - PEP	59 347	59 347	551	-99.1%	568	586
Public Transport Network Grant: Opex	453 997	453 997	586 290		530 031	581 653
EPWP	4 000	4 000	5 361			
Energy Efficiency and Demand Side Management Grant	7 000	7 000	8 000	14.3%	8 000	8 000
Infrastructure Skills Development	9 600	6 000	6 000		6 000	6 000
Recap of Community Libraries Grant	3 396	5 396	14 400	166.9%	15 400	15 853
Libraries Plan Grant	9 400	9 400	6 600	-29.8%	9 023	9 023
Primary Health	183 169	183 169	191 595	4.6%	191 595	200 217
HIV AIDS	34 146	33 630	35 178	4.6%	35 178	36 749
UN Environment Programme Opex	17 917	17 917		-100.0%		
Other	533	533				
Total Transfer and subsidies - Operational	8 980 278	9 011 475	9 606 045	6.6%	9 951 146	10 142 202

- Interest: Interest is increasing by 3.4%.

- The fuel levy is increasing by 2.1%.

- Gains on disposal of assets remain the same.

3A.6

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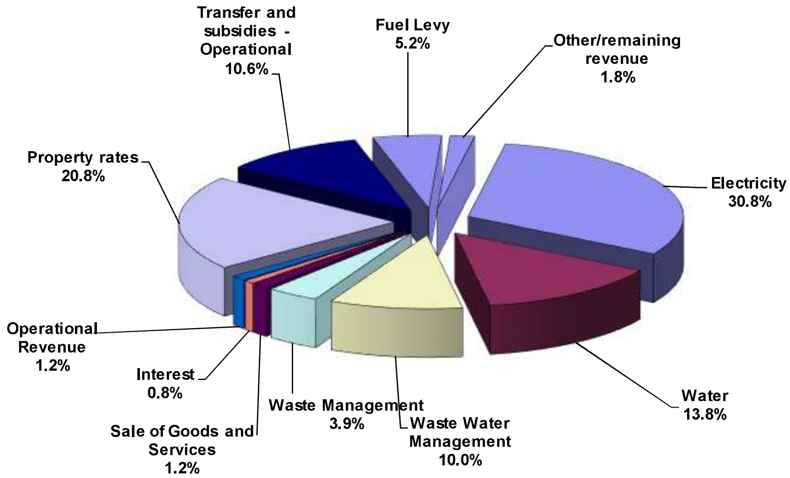
The graph below reflects the percentages per revenue category of the total revenue of the city.



The 2026/27 revenue budget for property rates, electricity, water, wastewater waste management amounts to R71.9 billion and it represents approximately 79.6% of the total revenue budget of R90.4 billion.

Expenditure Analysis

The expenditure budget in the current financial year amounts to R81.7 billion. 2026/27 presents a budget of R88.3 billion, an increase of 8.1% from the 2025/26 adjusted budget.

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework			
R thousand	Original Budget R 000	Adjusted Budget R 000	Budget Year 2026/27 R 000	% Incr.	Budget Year +1 2027/28 R 000	Budget Year +2 2028/29 R 000
EXPENDITURE						
Employee related costs	21 654 002	23 008 891	24 297 357	5.6%	25 378 590	26 507 935
Remuneration of councillors	202 021	202 021	210 005	4.0%	221 034	230 870
Bulk purchases - electricity	17 582 825	17 582 825	20 250 743	15.2%	22 273 565	23 395 959
Inventory consumed	7 234 991	7 254 312	7 536 777	3.9%	7 991 605	8 489 859
Debt impairment	8 076 200	9 132 196	10 464 148	14.6%	10 982 744	11 498 974
Depreciation and amortisation	5 643 271	5 560 480	5 933 677	6.7%	6 135 330	6 334 972
Interest	2 627 256	2 632 282	2 746 012	4.3%	2 833 862	2 924 525
Contracted services	7 323 519	6 285 251	6 438 778	2.4%	6 533 567	6 742 061
Transfers and subsidies	113 739	75 664	53 583	-29.2%	48 886	50 450
Operational costs	6 829 056	6 536 603	6 611 365	1.1%	6 729 700	6 945 933
Disposal of Fixed and Intangible Assets	4 140	2 513	2 513		2 513	2 513
Other Losses	3 378 592	3 378 562	3 750 234	11.0%	3 997 750	4 261 598
TOTAL DIRECT EXPENDITURE	**80 669 613**	**81 651 602**	**88 295 192**	**8.1%**	**93 129 146**	**97 385 648**

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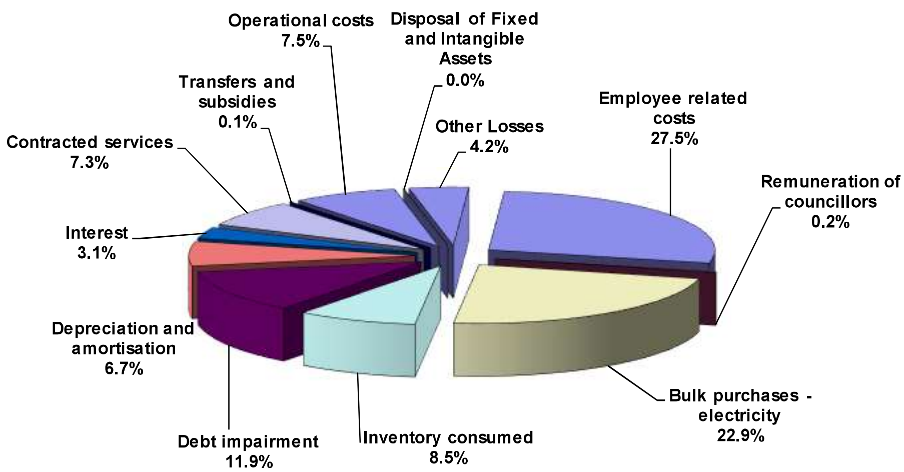
The increase of 8.1% in expenditure is a result of the increase in employee related cost 6.5% (a provision for natural attrition of 2.5% and a PFA allocation of R1.2 billion that was implemented in the 2025/26 financial year), remuneration of councillors 4.0%, bulk electricity purchases 15.2% (Eskom/Kelvin Power Station), inventory consumed 3.9% which includes the water purchases from Rand Water, debt impairment 14.6% that is based on a collection level of 86%, depreciation 6.7%, interest 4.3%, contracted services 2.4%, transfer and subsidies paid decreased by 29.2% (mainly due to the reduction of the Public Employment Program), operational costs increased by 1.1%, losses on disposal of assets remains the same and other losses increase by 11% (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.



Financial Position

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

Financial position	Original Budget 2025/26 R million	Adjusted Budget 2025/26 R million	Budget 2026/27 R million	Estimate 2027/28 R million	Estimate 2028/29 R million
Total current assets	18 154	17 546	18 236	23 614	29 613
Total non current assets	99 147	100 659	103 765	105 988	108 329
Total current liabilities	16 864	21 071	17 343	18 157	18 896
Total non current liabilities	29 919	30 444	30 928	30 901	31 423
Community wealth/equity	70 518	66 690	73 730	80 543	87 624

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

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Cash Flow

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

Cash flow	Original Budget 2025/26 R million	Adjusted Budget 2025/26 R million	Budget 2026/27 R million	Estimate 2027/28 R million	Estimate 2028/29 R million
Net cash from (used) operating	9 573	5 714	7 930	12 172	13 399
Net cash from (used) investing	(8 392)	(7 896)	(8 582)	(7 879)	(8 129)
Net cash from (used) financing	316	(450)	1 284	1 052	692
Cash/cash equivalents at the year begin:	2 731	3 966	1 335	1 967	7 313
Cash/cash equivalents at the year end	4 228	1 335	1 967	7 313	13 274

The cash of the City is projected to be approximately R2 billion at the end of the 2026/27 financial year and increasing to R13.3 billion in the outer year.

The following Budget Assumptions were made:

CPI is estimated at 3.4% for 2026/27 and 3.2% for 2027/28 and 3.2% for the 2028/29 financial year.

Estimated salary increases are estimated at:

- 4.75% - 2026/27 (and allowing for an 2.5% natural attrition rate).
- 4.45% - 2027/28.
- 4.45% - 2028/29.

Loans interest rates are estimated at 11.99% for 2026/27, 11.53% for 2027/28 and 11.29% for 2028/29.

Bulk purchases – Electricity, City Power has assumed a tariff increase 9.01%, Kelvin Power tariff price of R2.13 and a conservative total volumes growth estimated at 0%. The cost of water purchases from Rand Water is expected to increase by 11%. Rand Water purchases are reflected under inventory consumed in terms of mSCOA classifications.

The increase of debt impairment by 14.6% is in line with the projected average collection rate of 86% for rates and services.

Depreciation and amortisation increase by 6.7%.

Interest is increasing by 4.3% over the 2025/26 financial year.

Contracted services increase by 2.4%.

Transfers and subsidies paid are decreasing by 29.2% and it is mainly due to the reduction of the Public Employment Program grant reflected in the budget of Economic Development.

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Operational costs are increasing by 1.1%.

Losses on disposal of assets remains the same.

Other losses are increasing by 11% 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.

SUSTAINABLE CLUSTER

Sustainable Cluster Revenue	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Environment And Infrastructure	23 115	19 455	19 755	19 991
Human Settlements	127 430	131 763	135 979	140 330
City Power	26 806 749	29 065 691	31 572 375	33 315 819
Johannesburg Water	21 157 307	22 544 302	24 297 126	25 857 973
Pikitup	4 820 502	5 210 047	5 428 118	5 647 858
Johannesburg Social Housing Company	427 856	433 735	446 382	461 635
Total Revenue	53 362 959	57 404 993	61 899 735	65 443 606

The Sustainable Cluster's revenue budget increases by 7.6% from the 2025/26 financial year.

Sustainable Cluster Expenditure	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Environment And Infrastructure	156 995	162 632	169 137	176 261
Human Settlements	1 155 544	1 181 615	1 212 373	1 254 646
City Power	25 010 748	28 340 016	30 375 404	31 775 414
Johannesburg Water	19 954 807	21 553 290	22 916 852	24 284 527
Pikitup	4 820 502	5 210 047	5 428 118	5 647 858
Johannesburg Social Housing Company	427 856	433 735	446 382	461 635
Total Expenditure	51 526 452	56 881 335	60 548 266	63 600 341

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The Sustainable Cluster's expenditure budget increases by 10.4% from the 2025/26 financial year. The increase is mainly due to the provision for bulk purchases for electricity 10.7%, inventory consumed 12% and debt impairment in line with the projected average collection rate of 86% 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 15.8% to R19.5 million due to the reduction of the Public Employment Programme (PEP) grant allocation. The expenditure budget increases by 3.9% to R162.6 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 and Climate change.

- Good governance:
  - Strategic Coordination and support.

- Energy mix:
  - Energy.

Human Settlements

The direct revenue budget increases by 3.4% to R131.8 million due to increases in rental of facilities and equipment and interest earned from outstanding debtors. The direct expenditure budget has also risen by 2.3% to R1.2 billion, mainly due to growth in employee-related costs in line with approved parameters, as well as increases in depreciation, contracted services, and general operational expenses. Below is a summary of the programmes included within this 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.

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City Power

The expected surplus after taxation (excluding capital grants and contributions) amounts to R725.7 million. Service charges - electricity: The projected electricity revenue of R27.8 billion (excluding new connections fees) is an 8.6% increase from the 2025/26 financial year. The revenue budget increase by 8.4% compared to 2025/26 financial year budget. The increase is based on a proposed average tariff increase for electricity of 8.63% and the strategic drive to reduce total electricity losses to a level of 25% in the 2026/27 financial year.

The expenditure budget increases by 13.3% to R28.3 billion mainly as a result of the bulk purchase price increase due to the Eskom tariff increase of 9.01% as well as an increase of 15.2% in debt impairment based on the collection levels of 93.8%. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry:
  - Creating Value For Our Customers; and
  - Improve Quality of Service.

- Energy mix:
  - Sustainable Energy.

- Financial sustainability:
  - Financial Sustainability;
  - Financial Transparency – Separate AFS;
  - Budget Support of Business and Investment Plan;
  - Vending Efficiency % of Metering Operational;
  - Electricity Losses as % of electricity purchased;
  - Financial Model and Business and Investment Plan;
  - Bulk Commercial Metering performance; and
  - Trading Service Reforms-Cut Off Fees.

- Good governance:
  - Risk Governance and Compliance.

- Infrastructure development and refurbishment:
  - Improve Quality of Supply.

- Job opportunity and creation:
  - Support for Management of Organisational Change; and
  - People Development.

- Safer city:
  - Improve Quality of Service; and
  - Trading Service Reforms-Security Costs.

- Smart city:
  - Smart Utility.

- Sustainable service delivery:
  - Improve Quality of Service- Repairs Efficiency;
  - Improve Quality of Service;
  - Street Light Repairs;
  - Automated Meter Reading Coverage; and
  - Trading Service Reforms-Meter Audits.

Johannesburg Water

The expected surplus (excluding capital grants and contributions) amounts to R991 million. Service charges - water and sewerage: The projected water and sewerage revenue is estimated at R21.5 billion, approximately 7.5% increase from the 2025/26 financial year. The revenue budget increase by 6.6% compared to 2025/26 financial year budget. The increase is based on an average tariff increase of 12.5%.

The expenditure budget increases by 8% to R21.6 billion mainly due to an increase of 12.6% in debt impairment based on the collection levels of 73.5% and an estimated 11% increase on water losses. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry:
  - Media Relations and External Communication; and
  - Stakeholder Engagement and Public Participation.

- Financial sustainability:
  - Financial Performance and Management.

- Good governance:
  - Corporate Governance.

- Infrastructure development and refurbishment:
  - Trading Services Reforms: (Upgrade and Renewal of Infrastructure).

- Safer city:
  - Prevention of infrastructure theft and vandalism.

- Smart city:
  - Innovation and Technology programmes;
  - Trading Services Reforms: (Green Drop and Effluent Quality improvement);
  - Trading Services Reforms: (Upgrade and Renewal of Infrastructure); and
  - Trading Services Reforms: (Water Demand Management).

- Sustainable service delivery:
  - Trading Services Reforms: (Green Drop and Effluent Quality improvement);
  - Trading Services Reforms: (Strategic Support);
  - Trading Services Reforms: (Upgrade and Renewal of Infrastructure);
  - Trading Services Reforms: (Water Demand Management); and
  - Water Quality Assurance.

Pikitup

The revenue budget increases by 8.1% to R5.2 billion. Service charges - refuse: The projected refuse revenue of R3.6 billion is a 6% increase from the 2025/26 financial year. The increase is based on a proposed average tariff increase of 6%.

The expenditure budget increases by 8.1% to R5.2 billion mainly to cater for employee related costs and an increase of 19.7% in debt impairment based on the collection levels of 69.3%. The subsidy allocation to Pikitup increases by 13.8% to R1.5 billion. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
  - Trading Reform - Ensure complete billing and compliance; and
  - Waste Management / Environmental Protection - Integrated Waste Management.

Johannesburg Social Housing Company (JOSHCO)

The revenue budget increases by 1.4% to R433.7 million due to increases in rental of facilities and equipment and an increase in other revenue. The expenditure budget increases by 1.4% to R433.7 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.

HUMAN AND SOCIAL DEVELOPMENT CLUSTER

Human and Social Development Cluster Revenue	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Community Development	50 279	57 950	62 584	64 258
Health	220 542	230 646	230 769	241 092
Social Development	5 413	427	441	455
Public Safety	644 062	665 960	687 270	709 264
Johannesburg City Parks And Zoo	1 569 401	1 524 940	1 572 136	1 634 859
Joburg City Theatres	347 945	352 417	361 957	375 888
Total Revenue	2 837 642	2 832 340	2 915 157	3 025 816

The revenue budget of the Human and Social Development Cluster decreases by 0.2% from the 2025/26 financial year.

Human and Social Development Cluster Expenditure	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Community Development	1 448 139	1 497 535	1 547 472	1 607 878
Health	1 717 993	1 794 434	1 868 574	1 949 818
Social Development	400 902	409 844	424 383	441 881
Public Safety	6 859 552	7 203 442	7 478 012	7 794 785
Johannesburg City Parks And Zoo	1 569 401	1 524 940	1 572 136	1 634 859
Joburg City Theatres	347 945	352 417	361 957	375 888
Total Expenditure	12 343 932	12 782 612	13 252 534	13 805 109

The expenditure budget of the Human and Social Development Cluster increases by 3.6% from the 2025/26 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 15.3% to R57.9 million due to the Recapitalisation of Community Libraries Plan grant allocation. The expenditure budget increases by 3.4% to R1.5 billion. Below is a highlight of programmes that are within the budget:

- Infrastructure development and refurbishment:
  - Library Services Access;
  - Bibliographic and Distribution Services;
  - Access to Facilities and services; and
  - Arts and Culture Heritage Programmes.

- Financial sustainability
  - Library Services Access;
  - Service Extension, Reading and Resource Development;
  - Access to Facilities and services; and
  - Arts and Culture Heritage Programmes.

- Active and engaged citizenry:
  - Service Extension, Reading and Resource Development;
  - Mass participation and Recreation;
  - Sport Development;
  - Access to Facilities and services; and
  - Arts and Culture Heritage Programmes.

- Smart City:
  - Service Extension, Reading and Resource Development.

Health

The revenue budget increases by 4.6% to R230.7 million mainly due to the increase of the Provincial Primary Health and HIV/AIDS grant allocation. The expenditure budget increases by 4.4% to R1.8 billion mainly on employee related costs due to the Primary Health and HIV/AIDS grant allocation. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
  - The expansion of extended hour libraries and clinics within the City;
  - Rollout of Mobile Clinics to increase access to primary health care;
  - Maternal Health Care/Children Health Care/HIV and AIDS/ Communicable Disease;
  - TB / HIV and AIDS;
  - Management Support / E-Health / Clean Audit;
  - Jozi Ihlomile Program; and
  - Initiate and fund localised female dignity packs.

- Financial sustainability:
  - Management Support / E-Health / Clean Audit.

- Good governance:
  - Management Support / E-Health / Clean Audit.

- 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 92.1% to R427 thousand due to the reduction of the Public Employment Programme (PEP) grant allocation. The expenditure budget increases by 2.2% to R409.8 million. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry:
  - Programs implemented by qualifying NGOs to the citizens of Johannesburg;
  - Support for vulnerable residents, including fair rebates on services; and
  - Policy Reform Initiatives.

- Job opportunity and creation:
  - Skills for jobs and apprenticeship programmes for young people to gain skills and experience.

- Safer city:
  - Substance Abuse Treatment Centre Programmes;
  - Professional Training - Substance Abuse;
  - Substance Abuse Crisis Centre;
  - Assist the homeless including shelters, skills development, rehabilitation facilities, and work opportunities in collaboration with NGOs;
  - Programs and support offered to undocumented migrants;
  - Consistent support and uplifting of marginalised communities such as women, youth, people with disabilities and LGBTQIA+ through coordinated programmes across all departments;
  - Training and support for early childhood development; and
  - A food security programme in partnership with NGOs and the private sector – small scale farming.

- Smart city:
  - Policy Reform Initiatives.

- Sustained economic growth:
  - Urban Agriculture.

Public Safety

The direct revenue budget increased by 3.4% to R666 million due to JMPD anticipated fines, penalties and forfeits revenue. The direct expenditure budget increased by 5% to R7.2 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;
  - 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 decreases by 2.8% to R1.5 million. The expenditure budget decreases by 2.8% to R1.5 billion in line with revenue. The subsidy allocation to City Parks and Zoo decreases by 2% to R1.4 billion. Below is a highlight of programmes that are within the budget:

- Active and engaged citizenry:
  - Environmental Education.

- Job opportunity and creation:
  - Job Creation

- Safer city:
  - Insourced security;
  - Outsourced security; and
  - Park Rangers.

- Sustainable service delivery:
  - Greening programme.

Joburg City Theatres

The revenue budget increases by 1.3% to R352.4 million. The expenditure budget increases by 1.3% to R352.4 million in line with revenue. The subsidy allocation to Joburg City Theatres increases by 4.4% to R226 million. Below is a highlight of programmes that are within the budget:

- Financial sustainability:
  - Improve and strengthen financial position.

- Active and engaged citizenry:
  - Improve and strengthen financial position.

- Good governance:
  - Improve and strengthen financial position.

- Job opportunity and creation:
  - Job opportunities and creation.

ECONOMIC GROWTH CLUSTER

Economic Growth Cluster Revenue	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Economic Development	46 347	5 361		
Transport	675 462	943 198	924 761	1 003 197
Development Planning	108 020	93 166	96 147	99 223
Joburg Market	789 947	809 946	836 332	863 583
Metro Tech Company	618 880	634 299	651 564	675 687
Johannesburg Property Company	1 240 662	987 046	1 016 279	1 059 105
Johannesburg Development Agency	157 593	154 465	160 139	166 834
Johannesburg Roads Agency	1 744 560	1 807 138	1 872 665	1 952 019
Metrobus	799 279	833 166	862 843	896 978
Joburg Tourism	105 639	107 415	110 714	115 044
Total Revenue	6 286 389	6 375 200	6 531 444	6 831 670

The revenue budget of the Economic Growth Cluster increases by 1.4%.

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Economic Growth Cluster Expenditure	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Economic Development	182 034	169 505	175 737	182 977
Transport	1 717 714	1 964 420	2 005 553	2 074 140
Development Planning	540 432	546 451	567 845	591 295
Joburg Market	678 129	667 995	685 872	711 198
Metro Tech Company	618 880	634 299	651 564	675 687
Johannesburg Property Company	1 240 662	987 046	1 016 279	1 059 105
Johannesburg Development Agency	157 593	154 465	160 139	166 834
Johannesburg Roads Agency	1 744 559	1 807 138	1 872 665	1 952 019
Metrobus	799 279	833 166	862 843	896 978
Joburg Tourism	105 639	107 415	110 714	115 044
Total Expenditure	7 784 921	7 871 900	8 109 211	8 425 277

The expenditure budget of the Economic Growth Cluster increases by 1.1% from the 2025/26 financial year mainly due to a reallocation of expenditure from the Johannesburg Property Company to the Johannesburg Property Portfolio account that is in the Core Administration. Below follows the budget per department and municipal entity within the economic development cluster.

Economic Development

The direct revenue budget has decreased significantly by 88.4% to R5.3 million, mainly due to the receipt of the Public Employment Program grant and the Expanded Public Works Programme (EPWP) grant allocation. The direct expenditure budget has decreases by 6.9% to R169.5 million in line with the budget indicatives. 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:
  - Fair access to EPWP opportunities and fair allocation of local contracts through an audited electronic system;
  - Opportunity Centres to support businesses and encourage entrepreneurs;
  - Implementation of Informal trading plan from policy and bylaws;
  - Operationalization of opportunity centres, trainings and SMME development;
  - Johannesburg Business Forum (JBF);
  - Operationalization of Alexandra Automotive Hub; 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 39.6% to R943.2 million due to anticipated revenue from the operationalization of Rea Vaya Phase 1C and the Johannesburg International Terminal Interchange. The direct expenditure budget increases by 14.4% to R2 billion in line with the budget parameters. 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.

Development Planning

The revenue budget decreases by 13.8% to R93.2 million due to the reduction of the United Nations Environment Fund. The expenditure budget increases by 1.1% to R546.5 million. Below is a highlight of programmes that are within the budget:

- Sustainable service delivery:
  - Completion of integrated spatial data portal, spatial plan management and sharing system;
  - Maintenance of the Capex JSIP management tool; and
  - Processing of building plans.

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- Good Governance:
  - Processing of land use development applications;
  - Review of Land Use Scheme; and
  - Review of Municipal Planning Bylaw.

- Smart City:
  - Maintenance of Corporate Geo-informatics spatial information.

- Safer City:
  - Built environment court orders executed; and
  - Review of Municipal Planning Bylaw.

- 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.

- Green economy:
  - Implementation of the Green Building policy.

Joburg Market

The revenue budget increases by 2.5% to R810 million. The increase is mainly because of the increase in rental facilities income and an increase in other revenue. The expenditure budget decrease by 1.5% to R668 million before taxation. Below is a highlight of programmes that are within the budget:

- Good governance:
  - Business Continuity.

- Financial stability:
  - Market Repairs and Maintenance;

Metro Tech Company (MTC)

Revenue of the entity increases by 2.5% to R634.3 million and the expenditure budget increases by 2.5% to R634.3 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; and
  - WIFI Access point rollout 150 access points for a period of three years.

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Johannesburg Property Company (JPC)

The revenue budget decreased by 20.4% to R987.1 million, mainly due to the decrease in the CoJ subsidy. The expenditure budget also decreased by 20.4% to R987.1 million, in line with the decrease in revenue. However, the budget for office rental was reallocated to the JPC Portfolio Account. Below are highlights of the programmes included within the budget:

- Good governance:
  - Legislative compliance

- Job opportunity and creation:
  - SMME support

- Financial Sustainability:
  - Introduction of Simplified and Standardised Informal Trading Leases,
  - Structured Stall Allocation Processes, And
  - The Issuance of Permits Linked to Verified Trader Registers

Johannesburg Development Agency

The revenue budget decreases by 2% to R154.5 million due to a decrease in the UDFG Grant Funding. The expenditure budget decreases by 2% to R154.5 million in line with revenue. The subsidy allocation to Johannesburg Development Agency increases by 0.2% to R69.8 million. Below is a highlight of programmes that are within the budget:

- Infrastructure development and refurbishment
  - Accelerated Public infrastructure Delivery Programme/ Strategic Economic Node Delivery Programme.

- Good governance
  - Good Governance, Management and Administration.

Johannesburg Roads Agency

The revenue budget increases by R1.8 billion (3.6%). The expenditure budget increases by (3.6%) to R1.8 billion. Below budget increases programmes that are within the budget:

- Sustainable service delivery:
  - Creating a responsive administration focused on the delivery of services to the city's residents;
  - Financial transparency and accountability to the citizens of Johannesburg; and
  - Infrastructure Repair and Maintenance: Traffic Signal Improvement Plan.

- A smart city;
  - Improved Road Safety and Reduced Congestion

Metrobus

The total revenue budget increased by 4.2% to R833.2 million in line with the budget parameters. The total expenditure budget increased by 4.2% to R833.2 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.

- 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 total revenue budget increased by 1.7% to R107.4 million in line with the budget parameters. The expenditure budget increased by 1.7% to R107.4 million. 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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GOOD GOVERNANCE CLUSTER

Good Governance Cluster Revenue	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Group Forensic Investigation Services				
Office Of The Ombudsman				
City Manager	95 440	100 000		
Group Information And Communication Technology				
Group Finance	31 571 833	32 819 337	33 908 372	34 593 494
Group Corporate And Shared Services	33 940	34 890	35 814	36 768
Speaker: Legislative Arm Of Council				
Municipal Entities Accounts	191 422	196 379	202 663	213 065
Total Revenue	31 892 635	33 150 606	34 146 849	34 843 327

The revenue budget of the Good Governance Cluster increases by 3.9%.

Good Governance Cluster Expenditure	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Group Forensic Investigation Services	124 437	127 068	131 427	136 803
Office Of The Ombudsman	48 527	49 548	51 240	53 348
City Manager	2 075 925	2 178 714	2 230 187	2 316 579
Group Information And Communication Technology	1 191 846	1 208 960	1 234 366	1 275 242
Group Finance	6 061 076	6 442 623	6 635 070	6 813 189
Group Corporate And Shared Services	633 242	641 747	663 377	690 632
Speaker: Legislative Arm Of Council	557 171	577 904	601 324	627 061
Municipal Entities Accounts	2 128 948	2 489 772	2 590 765	2 673 774
Total Expenditure	12 821 172	13 716 336	14 137 756	14 586 628

The expenditure budget of the Good Governance Cluster increases by 7%, mainly due to a reallocation of expenditure from the Johannesburg Property Company to the Johannesburg Property Portfolio account that is in the Core Administration. 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 2.1% to R127.1 million. Below is a highlight of programmes that are within the budget:

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- Good Governance that prevents, detects, investigates, and resolves crimes against the city:

  – Citizens of the City are encouraged to report cases of fraud and corruption, theft of CoJ assets, maladministration, unauthorised, irregular, fruitless and wasteful expenditure, cyber-crime and hijacked properties by using the Anti-fraud and corruption hotline (0800 002 587) and email whislte@joburg.org.za;
  – Internal and external stakeholders are being educated about their roles and responsibilities in assisting the city in preventing crimes, reporting systems, and GFIS success stories through anti-fraud and corruption awareness programs;
  – The City has taken a zero-tolerance stance to fraud and corruption, asset theft, hijacked properties, cyber-crime, vandalism, maladministration (including Unauthorized Irregular Fruitless and Wasteful (UIFW)), security breaches, and illicit connections;
  – The Whistle Blowers Policy, which was authorized by the Council, is in place and provides for the reporting of wrongdoing as required under the Protected Disclosure Act (no 56 of 2000) and the MFMA financial misconduct regulations. The Anti-Fraud and Corruption Hotline, which is open 24 hours a day, seven days a week, is one of many community reporting options;
  – Intensify the combined operation that will be carried out to aid in revenue collection initiatives such revenue enhancement programmes; and
  – All reported concerns will be handled at the appropriate degree of independence, and the multi-agency approach will be encouraged through the utilization of other Law Enforcement Agencies (LEAs).

Ombudsman

Ombudsman's expenditure increases by 2.1% to R49.6 million. The increase is mainly to capacitate the department. Below is a highlight of programmes that are within the budget:

- Good Governance that is responsive, accountable, efficient and productive:

  – Investigate complaints on allegations of maladministration and human rights violations;
  – Conduct proactive investigations to address systemic service delivery failures;
  – Increase public awareness and trust through targeted communication and stakeholder engagement programmes;
  – Resolving complaints and disputes for the citizens of Johannesburg in an amicable manner; and

- Strengthen accountability and ensure sustainable service delivery by monitoring the implementation of findings/ corrective actions issued by the Ombudsman.

City Manager

Revenue of the department increases by 4.8% to R100 million due to increase of Programme and Project Preparation Support Grant and the expenditure budget increases by 5% to R2.2 billion. The increase is in line with revenue. 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;
  - Legal Support on (By)-Law Prosecution;
  - 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;
  - A dedicated prosecution unit and functioning Municipal Courts;
  - 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:

The expenditure budget increases by 1.4% 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 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 4% to R32.8 billion. The expenditure increases by 6.3% to R6.4 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;
- Improve and strengthen financial position;
- Improved customer centricity, customer experience excellence in the new normal;
- Online services - sharing knowledge, city of convenience, improved customer centricity, elevating customer experience, excellence to be the new normal, , revenue completeness;
- 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 (EBPP – Electronic Bill Presentation and Payment Portal).

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Group Corporate and Shared Services

The revenue budget increases by 2.8% to R34.9 million. The expenditure budget increases by 1.3% to R641.7 million. The department's programmes are day-to-day activities.

Speaker: Legislative Arm of Council

Speaker's Office expenditure budget increases by 3.7% to R 577.9 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;
  - Training of Councillors and Ward Committees; and
  - Creating a platform for communities to raise issues for redress by the City.

Municipal Entities Accounts

The revenue for the municipal entities account in the 2026/27 financial year increases by 2.6% to R196.4 million. The expenditure for the municipal entities accounts increases by 16.9% to R2.5 billion mainly due to a reallocation of expenditure from the Johannesburg Property Company to the Johannesburg Property Portfolio account that is in the Core Administration.

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).

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6. FINANCIAL IMPLICATIONS

Consolidated Operating Budget (excluding internal transfers)	Original Budget 2025/26 R 000	Adjusted Budget 2025/26 R 000	Budget 2026/27 R 000	Estimate 2027/28 R 000	Estimate 2028/29 R 000
Direct revenue	84 820 301	84 848 273	90 361 477	95 519 502	99 830 998
Direct expenditure	80 669 613	81 651 602	88 295 192	93 129 146	97 385 648
Taxation	44 883	44 883	23 995	27 542	27 444
Capital grants and contributions	4 100 420	4 550 032	4 997 911	4 450 744	4 662 282
Surplus (Deficit) for the year	8 206 225	7 701 820	7 040 201	6 813 558	7 080 188

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 consolidated operating revenue of R90.4 billion, operating expenditure of R88.3 billion, taxation of R24 million and capital grants and contributions of R5 billion for the City of Johannesburg for the financial year 2026/27, and the indicatives for the projected medium-term period 2027/28 to 2028/29 be approved 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 approved:

Municipal Entity	Original Budget 2025/26	Adjusted Budget 2025/26	Budget 2026/27	Estimate 2027/28	Estimate 2028/29
	R 000	R 000	R 000	R 000	R 000
Pikitup	1 195 477	1 335 574	1 520 289	1 510 543	1 484 805
Johannesburg Roads Agency	1 465 600	1 512 104	1 595 059	1 624 447	1 723 045
Metrobus	667 698	687 162	717 237	743 204	773 511
Johannesburg City Parks and Zoo	1 238 992	1 415 469	1 386 797	1 429 392	1 487 469
Johannesburg Development Agency	68 570	69 640	69 754	71 393	73 729
Johannesburg Property Company	790 128	815 728	542 109	551 465	574 031
Metro Tech Company	227 869	227 560	230 726	241 152	252 021
Johannesburg Social and Housing Company	140 081	147 202	149 019	152 529	158 352
Joburg City Theatres	211 540	216 344	225 959	229 701	238 287
Joburg Tourism	101 269	95 154	100 632	103 626	107 729
City Power	343 152	343 152	361 545	383 925	401 202
Total subsidies to ME's	6 450 376	6 865 089	6 899 126	7 041 377	7 274 181

3. That the supporting information contained in the 2026/27 – 2028/29 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 approved in conjunction with this report.

4. That it should be noted that the budget is in line with the national budget (Division of Revenue Bill) as presented by the Minister of Finance on 25 February 2026.

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

THE NEXT ITEM FOLLOWS THE ANNEXURES TO THIS ITEM