



a world class African city

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Joburg Council Approves City Power and Joburg Water Turnaround Strategies to Enhance Service Delivery

On Wednesday, (31 July 2024), the City of Johannesburg City Council approved the comprehensive turnaround strategies for City Power and Johannesburg Water, marking a significant milestone in bolstering essential municipal services across the city.

City Power Turnaround Strategy

City Power Johannesburg (SOC) Ltd has been facing substantial financial challenges exacerbated by rising electricity generation costs, decline of revenue collection, and operational shortcomings within its distribution network. Recognising the critical importance of a stable and efficient electricity supply to industries, businesses, and households, City Power developed a Turnaround Strategy aimed at addressing these issues.

Key components of the City Power Turnaround Strategy include:

- Establish a unified management accountability structure.
- Enhancement of cash revenue
- Strengthening the relationship between service delivery and the city
- Restructure institutional frameworks for optimal efficiency.

The strategy aligns with the Urban Sector Development Grant (USDG) framework, emphasising the need for robust institutional reforms and sustainable management practices.

The Turnaround Strategy has already yielded impressive results, with City Power's fourth quarter performance figures reaching 81.82% and boosting the overall Year-To-Date output to 72.73% in the 2023/2024 Financial year - the highest performance in the last 5 years.

The strategy focuses on five key areas: creating a single point of management accountability, turnaround in cash revenue, financial surplus, clearly defined relationship between service and the city, and a fit-for-purpose institutional structure. This plan of action has created an enabling environment for the municipal electricity utility to perform better all round, with notable achievements in the previous quarter.

Between April and June 2024, City Power installed 1256 streetlights against a target of 700, exceeding its target by 556. The utility also connected 3495 dwellings with electricity supply, surpassing its target of 3200. Furthermore, City Power obtained 26.47 MW of installed

capacity of approved embedded generators on the municipal distribution network, exceeding its target of 9.50 MW.

Johannesburg Water Turnaround Strategy

Similarly, Johannesburg Water has embarked on a transformative journey outlined in its approved Turnaround Strategy. This initiative aims to address long-standing challenges in water and sanitation services, including infrastructure deficiencies, financial sustainability, and governance improvements.

Key features of the Johannesburg Water Turnaround Strategy include:

- Detailed assessment of service delivery and financial performance.
- Implementation of governance reforms and operational improvements.
- Development of comprehensive business and investment plans aligned with water services development goals.

The strategy adheres to National Treasury guidelines, focusing on effective utility management and the introduction of financing reforms. By meeting these stringent criteria, Johannesburg Water seeks to enhance service reliability and efficiency for all residents.

Conclusion

Both the City Power and Johannesburg Water Turnaround Strategies have been approved by Council and will be submitted to the National Treasury in compliance with regulatory requirements. This represents a concerted effort by the City of Johannesburg to strengthen municipal operations, improve service delivery, and ensure sustainable infrastructure for future generations.

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Issued by the City of Joburg

About Johannesburg City Council The Johannesburg City Council is committed to enhancing the quality of life for all residents through effective governance, sustainable development, and equitable service delivery.

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