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MEDIA STATEMENT

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City of Johannesburg implements Budget Adjustments to enhance service delivery and revenue collection

Johannesburg, 08 March 2024 - The City of Johannesburg Council has approved the budget adjustments aimed at prioritizing critical services, enhancing revenue collection, and addressing economic challenges impacting the city.

The successful approval of Operating Expenditure (Opex) and Capital Expenditure (Capex) adjustments took place during the 25th Extra-Ordinary Council Meeting today. The resolutions were passed with a majority vote of 184 in favour and 39 against.

The Opex and Capex adjustments signify a strategic move by the Municipality to reallocate resources, enhance financial management, and prioritize key service delivery areas within the city.

The decisions taken during the Council Meeting aim to address current economic challenges, optimize operational efficiency, and ensure sustainable growth for Johannesburg.

The Executive Mayor, Councillor Kabelo Gwamanda expressed gratitude for the Council's support in passing these crucial adjustments, emphasizing the Municipality's commitment to prudent financial management and effective governance.

In response to unfavourable economic conditions, escalating costs, job losses, and loadshedding affecting revenue generation, Mayor Gwamanda emphasized the need for reallocation of budgets to key service entities such as City Power, Joburg Water, and Pikitup.

Highlighting the impact of loadshedding on revenue collection, Mayor Gwamanda noted a significant shortfall in electricity billing compared to budgeted expectations, necessitating a decrease in citywide expenditures.

To mitigate financial strains and improve service delivery, the City plans to fast-track partnerships with Independent Power Producers for stable electricity supply,

implement smart technologies for load management, and enhance water sustainability through waste-water treatment projects.

Mayor Gwamanda urged residents and businesses to continue paying for municipal services to ensure uninterrupted service provision. The City will intensify credit control measures, including taking legal actions against delinquent accounts holders and dealing with illegal connections, to enhance revenue collection efficiency.

In compliance with the Municipal Finance Management Act, the City can revise its annual budget through adjustments to address performance assessments and recommendations for financial stability.

Despite challenges, the City of Johannesburg maintains a healthy financial position, reflected in its unqualified audit opinion and Moody's credit rating affirmation of Ba3 with a stable outlook. The City remains committed to upholding clean administration and corporate governance standards.

ENDS

Issued by the City of Joburg

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