



Dear Joburgers, Investors, and Partners

We recently hosted the City of Johannesburg's Annual Financial Results Investor Roadshow, bringing together investors, financial institutions, business leaders, and members of the public for an open and honest conversation about where our city stands and where it is headed. I convened this engagement not to manage perceptions, but to take you into our confidence—fully, transparently, and without reservation.

I am pleased to confirm that the City's 2026/27 Medium-Term Revenue and Expenditure Framework (MTREF) Budget has been formally assessed as funded by National Treasury in terms of Section 18 of the Municipal Finance Management Act. This achievement was not guaranteed. When the budget was first tabled on 8 May 2026, it was assessed as unfunded. Rather than accept that outcome, we responded decisively. We strengthened the budget, made the necessary adjustments, and delivered a funded budget. That result reflects the discipline, accountability, and resolve that define this administration.

Our commitment to sound governance did not end there. On 28 May 2026, we tabled the City's Annual Report ahead of our committed deadline, and as a result, the suspension of the City's listed instruments on the Johannesburg Stock Exchange was lifted. We made a commitment, and we honoured it.

Our financial performance tells the story of a city that is steadily regaining its footing. During the 2024/25 financial year, the City recorded a net surplus of R1.6 billion, a significant improvement from R226 million in the previous year and a complete turnaround from the R327 million deficit recorded in FY2023.

Total revenue reached R81.1 billion, growing by 10% year-on-year and exceeding budget by 5%. Expenditure amounted to R79.9 billion, increasing by 8%, while revenue continued to outpace spending. Cash and cash equivalents increased from R2.2 billion to R4 billion, strengthening the City's liquidity position. Capital expenditure reached R8.6 billion, representing 111% of budget, our strongest capital delivery performance in recent years.

Our debt-to-revenue ratio remains at 32%, comfortably below our ceiling of 45%, while our revenue collection rate has improved to 85.9%, with a clear objective of surpassing 86% through the rigorous implementation of our credit control strategy.

The Auditor-General has issued the City with an unqualified audit opinion, and our next milestone is to achieve a clean audit.

While these results are encouraging, we are under no illusion about the work that still lies ahead. Infrastructure remains our most urgent priority. Water losses currently stand at 44.79%, translating into approximately R3.8 billion in lost revenue every year. Electricity losses—driven by theft, illegal connections, meter bypasses, and technical losses—amount to a further R5.7 billion annually. Together, these inefficiencies cost the City an estimated R9.5 billion every year.



That is why we have adopted a comprehensive Water Conservation and Demand Management Strategy, implemented the City Power Turnaround Plan, accelerated automated meter management, expanded meter replacement programmes, intensified illegal connection audits, and strengthened enforcement through dedicated theft-reporting mechanisms. Every percentage point of these losses that we recover translates directly into improved financial sustainability, stronger service delivery, and reduced pressure on tariffs for residents.

For investors, this is not simply a service delivery initiative; it is a revenue-enhancement strategy with measurable financial returns.

Equally important is the stability of our governance. The Government of Local Unity, comprising 13 political parties, has remained intact through one of the most demanding financial periods in Johannesburg's recent history and has continued to provide stable leadership.

At a national level, the Presidential Johannesburg Working Group, formalised with the President of the Republic, provides structured support for Johannesburg's infrastructure renewal and investment agenda. The District Development Model continues to align national, provincial, and local government around shared priorities, reducing policy fragmentation and creating a more predictable environment for investment.

We are therefore not asking anyone to invest in aspiration.

We are inviting investors to partner with a city that is strengthening its finances, improving governance, restoring credibility, and implementing a structured programme of infrastructure renewal backed by all spheres of government.

When Johannesburg succeeds, South Africa succeeds.

The doors of this administration remain open—to scrutiny, to partnership, and to honest engagement that builds lasting confidence.

Until next time,
Johannesburg Executive Mayor Councillor Sello Dada Morero

