



CITY OF JOHANNESBURG
METROPOLITAN MUNICIPALITY



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STATEMENT BY THE EXECUTIVE MAYOR OF JOHANNESBURG, CLLR DADA MORERO: THE CITY OF JOHANNESBURG'S RESPONSE TO NATIONAL TREASURY AND THE PATH TO FINANCIAL RECOVERY 8 July 2026

GOOD AFTERNOON TO MEMBERS OF THE MEDIA

You have been waiting to hear from us as the City of Johannesburg. We shall no longer keep you waiting.

Firstly, as the City of Johannesburg, we have been working with National Treasury. Not only have we been working through the Intergovernmental Relations structure, but we have been working through the Presidential Finance Working Group led by the President and the Executive Mayor. A few weeks ago, we met with the Minister of Finance and mapped out a process for managing issues of concern. It is against this backdrop that we note the decision to invoke Section 216(2) of the Constitution of the Republic of South Africa and Section 38(1) of the Municipal Finance Management Act of 2003. From our side, we will fully comply with the process and provide the necessary clarity.

MEMBERS OF THE MEDIA,

Our working relationship with National Treasury is yielding results. As we speak, we have received correspondence from National Treasury that confirmed that the City's 2026/27 Annual Budget is funded. This is comforting feedback as it confirms that our financial management is okay and has not reached a crisis state. However, more needs to be done to manage our cash flow and revenue performance.

Accountability and transparency sit at the centre of this recovery. In exercising these two important principles, I allow the media to give the media a quick update on the following issues:

1. Randwater and Eskom will receive their funds by mid-July.
2. Our existing UIFWe reduction strategy was revised to align with National Treasury's guidance and MFMA Circulars 111 and 68.
3. We are working through the historical backlog rather than simply disclosing it. At that same Council meeting, R918.4 million in expenditure was regularised on the recommendation of our Municipal Public Accounts Committee following a formal investigation. In parallel, the boards of the Johannesburg Roads Agency, City Parks and Zoo, the Johannesburg Development Agency, and Pikitup regularised a further R878.3 million among themselves. Together, this amounts to approximately R1.8 billion resolved through proper governance processes, with a further R6.4 billion currently before entity boards for consideration.

4. We have identified the actual drivers of new expenditure rather than treating UIFWe as a single indistinct number. The largest driver this year is City Power's overspending on bulk electricity purchases, amounting to R2.1 billion by the end of the third quarter.
5. The Mayoral Committee yesterday considered a full report on Pikitup's cash flow position and has resolved to act. Waste management is an essential service, and under the Metro Trading Services Reforms Programme, funding for fleet maintenance, fuel, landfill operations and the other essentials that keep refuse trucks on the road is being ring-fenced and protected. An initial operational allocation is being prioritised to settle the payment backlog with service providers and restore supplier confidence. It is important to note that operations have resumed as of yesterday.
6. Our billing and revenue systems still need modernisation.

WHAT DOES ALL THIS MEAN FOR RESIDENTS?

It means service delivery remains our priority, with funds recovered through improved collections and cost containment directed toward protecting water, electricity, waste, and public safety services. It means we are protecting the free basic services on which indigent households depend, while ensuring that those who can pay do pay. And it means we are borrowing responsibly and strategically to fund infrastructure renewal, including a multi-year facility of 200 million euros (approximately R3.8 billion), secured from the German Development Bank, KfW, for City Power electrical infrastructure, and approximately R1.75 billion for Johannesburg Water capital expenditure over the coming years.

BEFORE I CLOSE,

There is a practical matter every household in this city needs to plan for. On Friday, 17 July, our bulk supplier, Rand Water, will carry out the second and final phase of its planned maintenance from 07:00 to 19:00, a 12-hour period. The first phase, undertaken between 29 May and 2 June, was completed successfully, and this final phase is essential preventative work on the bulk infrastructure that supplies Johannesburg and surrounding municipalities. Because it affects major bulk systems, a number of Johannesburg Water reservoirs and towers will receive reduced inflows during this period, and customers in the affected areas may experience low water pressure or no water at all.

The systems affected include Sandton, Midrand, Linksfield, Crown Gardens, South Hills, Parktown, Berea, Yeoville, the Commando system serving Brixton, Crosby and Hursthill, as well as Randburg, Roodepoort, Soweto, Lenasia, Alan Manor, Aeroton and Eagles Nest. I want to be honest with residents about one thing in particular: recovery will not be immediate when the maintenance ends at 19:00. Reservoirs and towers must refill before normal distribution resumes, so residents should expect recovery over the following few days, with low-lying areas recovering first and higher-lying areas taking longer.

Johannesburg Water has been planning extensively with Rand Water ahead of this shutdown. Reservoir storage is being maximised before the work begins; reservoir and tower levels will be monitored continuously throughout; water tankers will be deployed where required, with hospitals, clinics, and other critical facilities prioritised; and regular updates will be provided through all official channels for the duration of the maintenance and recovery that follows.

ONCE AGAIN I ASK RESIDENTS TO WORK WITH US



Please store enough water for essential household use before 07:00 on Friday, 17 July, use water sparingly in the days leading up to and during the maintenance, and avoid unnecessary consumption afterwards so that our reservoirs recover as quickly as possible. I know interruptions are frustrating, but this maintenance is an investment in protecting and strengthening the infrastructure that delivers water to our city, and I thank residents in advance for their patience and cooperation.

Johannesburg is the economic heartland of this country. The challenges we face are real but not insurmountable, and they did not arise under this administration alone; many have built up over the years. What is new is the discipline, transparency and accountability with which we are now confronting them.

We will continue to report our progress to Council, National Treasury, and the residents of this City on a regular basis. We owe you nothing less than full honesty about where we stand, and full commitment to getting this right.

THANK YOU

Ends.

Issued by the Office of the Executive Mayor