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TO: News Editors
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THE CITY OF JOHANNESBURG IS STABILISING – THIRD-QUARTER RESULTS SHOW MEASURABLE PROGRESS, HONEST ACCOUNTABILITY AND A CREDIBLE TURNAROUND PLAN

The City of Johannesburg has noted recent media reports portraying the City's third-quarter financial performance as evidence of a municipality in crisis. This interpretation is not supported by the full performance report, which reflects a municipality making measurable progress while candidly acknowledging areas requiring improvement.

The City's 2025/26 Third-Quarter Performance Report demonstrates steady improvements in key financial indicators, stronger departmental performance, improved revenue collection and the implementation of a comprehensive Financial Turnaround Framework designed to restore long-term financial sustainability and strengthen service delivery.

The City remains committed to transparency and accountability and encourages reporting that reflects the complete performance picture based on verified facts and balanced analysis.

The City's Group Chief Financial Officer, Tebogo Moraka, says the third-quarter results demonstrate that Johannesburg is confronting its challenges head-on while making measurable progress in implementing structural reforms.

"The City is not claiming that all its challenges have been resolved. Rather, the third-quarter results demonstrate that we are honestly measuring our performance, strengthening accountability, improving key financial indicators and implementing decisive interventions to restore financial sustainability. Recovery is underway, and the data clearly shows that Johannesburg is moving in the right direction," says Moraka.

Contrary to selective interpretations of the report, the City achieved 66.6% of Group Finance performance targets, meeting 8 of the 12 indicators measured. Departmental performance reached 75%, while institutional performance stood at 62.5%, reflecting steady organisational improvement.

Several key financial indicators continued to strengthen during the third quarter:

- Debt-to-Revenue improved to 30%, well below the National Treasury benchmark of 45%.
- The Net Operating Surplus Margin improved to 5%, compared with 2% in Quarter 2 and -3% in Quarter 1.

- The Solvency Ratio strengthened to 2.11:1, improving from 2.05:1 in Quarter 2 and 1.99:1 in Quarter 1.

Revenue performance also continued to improve. The City collected approximately R15.38 billion during Quarter 3, while the collection rate increased from 82% to 83%. Average daily revenue collections exceeded target at approximately R205.1 million per day, and year-to-date billing reached 100.4% of budget. Property rates revenue also outperformed budget by approximately R495 million, representing a positive variance of 3.64%.

Digital transformation initiatives are also delivering encouraging results. Registrations on the City's electronic billing and payment platform increased by approximately 62% compared with Quarter 2, with corresponding growth in digital payment values, demonstrating increasing customer adoption of modern payment channels.

Moraka emphasised that the City is equally transparent about the challenges that remain. These include the collection rate remaining below the target of 87.8%, cash coverage of 5 days against a 30-day target, a current ratio below the desired level, a debtor's book of approximately R73.7 billion, and slower-than-planned capital expenditure, particularly within electricity and water infrastructure programmes.

"These are precisely the challenges our Financial Turnaround Framework is designed to address. Our response is not denial—it is decisive action," Moraka said.

The turnaround programme includes strengthened revenue collection, accelerated debt recovery, improved billing accuracy, stricter enforcement against non-payment and illegal connections, enhanced liquidity management, stronger expenditure controls, faster procurement processes, improved project implementation, governance reforms, performance monitoring and greater accountability across departments and municipal entities.

The City is also implementing structural reforms through Metro Trading Services Reform, phased ring-fencing and Revenue Sharing Agreements to improve financial transparency and operational efficiency.

Moraka said the City's progress was further demonstrated by the successful settlement in June of a R1.44 billion JSE-listed bond, together with all associated interest obligations.

"This significant milestone demonstrates Johannesburg's financial resilience and our unwavering commitment to honouring our financial obligations. It sends a strong message to investors, residents and stakeholders that the City is implementing a credible recovery strategy founded on fiscal discipline, sound governance and accountability."

The City remains committed to restoring financial sustainability, improving infrastructure investment, protecting essential services and rebuilding public confidence.

"Recovery will not happen overnight, but the third-quarter results clearly demonstrate that Johannesburg is laying a stronger foundation for sustainable growth and improved service delivery. We are turning a corner through discipline, accountability and consistent implementation of our turnaround programme," concludes Moraka.

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