



Dear colleagues,

## GCR Revises Johannesburg's Outlook to Stable

When I set out my vision for the 2025/26 financial year, I shared my belief that it could be one of the best financial years we have seen in a long time. I am pleased to report that this vision is already showing results. The Global Credit Rating Company (GCR) has revised the City's outlook to stable, recognising our stronger governance, tighter financial discipline, and growing resilience.

This is more than just a rating. It reflects your hard work, your discipline, and your commitment to keeping Johannesburg financially stable.

## Strengthening Accountability

Discipline remains central to our success. Every staff member, from frontline teams to leadership, plays a role in ensuring accurate billing, efficient collections, and clean audits. We are tightening controls, enforcing consequence management, and improving processes so that every rand is protected and put to good use.

## Partnerships and Progress

We are working with businesses and development finance institutions to bring in expertise and funding for critical infrastructure. Stabilising key entities like City Power and Joburg Water remains a top priority, ensuring that our financial progress translates into better service delivery for residents.

## Our Journey to a Clean Audit

A clean audit remains one of my key goals for the City. This is not simply a compliance matter – it reflects how well we govern and protect public resources. To get there, we must:

- Provide accurate and timely financial reporting.
- Strengthen controls to prevent irregularities.
- Embed discipline into everything we do.

Discipline is the foundation for a City that can deliver on its promises and protect its resources for the future.

## Looking Ahead

The revised outlook is a milestone, but not the finish line. Let us keep building on this progress with commitment, pride, and accountability. Together, we are shaping a Johannesburg that inspires confidence and delivers for its people.

## Closing Note

Thank you for the work you do every day. The recognition we have received is proof that our collective efforts matter. Let us carry this energy into the second quarter – staying disciplined, inspired, and committed to serving

## RATING KEY HIGHLIGHTS

- **Debt management:** The City secured a R2.5 billion Agence Française de Développement (AFD) loan and plans to raise R3.5 billion annually in the next two fiscal years to support infrastructure and refinancing maturing facilities
- **Liquidity position:** Days cash on hand improved slightly to 19 days in fiscal 2025, with R1.4 billion sinking fund available to meet the June 2026 bond maturity.
- **Improved performance:** The 2025 fiscal saw a notable 16% increase in electricity income due to reduced loadshedding, contributing to an expected operating surplus
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- **Enhanced collection:** Collection rates improved above 90% post-fiscal 2025, supported by better meter reading and billing methods.
- **Infrastructure investment:** Capital expenditure rose to R7.7 billion in 2025 (over 90% of budget) and is projected to increase to R8.7 billion in 2026 and R9.1 billion in 2027, with priority on revitalising electricity and water infrastructure.

## PROJECT LOKISA ALERT

### Performance Snapshot – September 2025

- **Opening balance:** 20 764 cases carried over from August
- **New queries logged:** 9 237
- **Total queries logged:** 30 001 across all units
- **Resolved queries (1 - 30 September):** 16 880, reflecting a 56% resolution rate
- **Closing balance:** 13 121 active cases as at month-end