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FROM FINANCIAL PRESSURE TO FINANCIAL PROGRESS: BUILDING A RESILIENT AND ACCOUNTABLE JOHANNESBURG

JOBURG JOURNAL
NEWSLETTER



GCFO: TEBOGO MORAKA

Johannesburg's financial future will not be determined by the strength of our plans alone, but by our ability to translate those plans into decisive action, measurable results and sustainable service delivery.

As we approach the final months of 2026, our responsibility is to consolidate progress, confront the financial pressures that remain and accelerate reforms necessary to secure the City's long-term financial sustainability. Rising service delivery expectations, infrastructure backlogs, constrained household finances and increasing operating costs demand disciplined financial management and stronger institutional accountability.

Financial sustainability is not simply about balancing the books. It is about ensuring that Johannesburg has the capacity to provide reliable services, maintain critical infrastructure and improve residents' lives.

Measurable progress, but the work is far from over

Our 2025/26 Third-Quarter Performance Report, communicated publicly in July 2026, reflected improvements in several key indicators. The debt-to-revenue ratio improved to 30%, below the National Treasury benchmark of 45%. The net operating surplus margin rose to 5%, from 2% in the preceding quarter and negative 3% in the first quarter. The solvency ratio improved from 1.99:1 in the first quarter to 2.11:1 in the third quarter.

The City collected approximately R15.38 billion during the third quarter, while its collection rate improved from 82% to 83%. Average daily collections reached approximately R205.1 million. Year-to-date billing reached 100.4% of budget, and property rates revenue exceeded budget by approximately R495 million.

These results show that disciplined interventions can produce measurable improvements. Yet the collection rate remained below the 87.8% target, cash coverage stood at five days against a 30-day target, and the debtors' book was approximately R73.7 billion. Capital expenditure implementation, particularly in electricity and water infrastructure, also remained below plan. These are historical third-quarter 2025/26 figures, not October performance results.

We must not confuse signs of stabilisation with the completion of financial recovery. The test is whether improvements are sustained and translated into better services.

Strengthening revenue collection and restoring a culture of payment

Revenue collection is fundamental to financial recovery. The scale of outstanding municipal debt constrains our ability to finance services, maintain infrastructure and meet obligations.

Our Financial Turnaround Framework prioritises accurate billing, stronger credit control, accelerated debt recovery, revenue protection and customer account management. Collaboration between Group Finance, the Revenue Shared Service Centre, Property Branch and municipal entities is essential to addressing revenue leakages.

We recognise that many residents and businesses face genuine financial difficulties. Residents must pay for services consumed, while the City must bill accurately, resolve legitimate queries promptly and deliver reliable services. A sustainable culture of payment begins with a credible culture of service.

Turning infrastructure budgets into visible results

Infrastructure investment is essential to Johannesburg's economy and quality of life. But allocating funding does not automatically translate into delivery. Delayed projects, procurement bottlenecks, inadequate maintenance and capital underspending increase long-term costs and undermine confidence.

We must improve capital expenditure monitoring, procurement coordination, implementation oversight and early corrective action. Every investment must have clear responsibilities, measurable milestones and demonstrable community benefits. Our success must be measured not only by how much we spend, but by what that expenditure delivers.

Financial discipline and accountability

Financial accountability cannot rest with Group Finance alone. Every department, municipal entity and programme manager must manage public resources responsibly. The Financial Turnaround Framework emphasises credible budgets, expenditure controls, liquidity management and governance reforms.

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A recovery plan has little value unless it is implemented and monitored.

Protecting creditworthiness and investor confidence

In June 2026, Johannesburg settled a R1.44 billion JSE-listed bond together with associated interest obligations, demonstrating its commitment to honouring financial obligations. The July 2026 confirmation of the City's credit ratings by Moody's, with a positive outlook, further underscored the importance of financial discipline.

Investor confidence requires credible budgets, predictable revenue, responsible borrowing, stronger liquidity and consistent performance. Infrastructure financing must remain sustainable and aligned with developmental priorities.

Customer-centricity is a financial sustainability imperative

Improving the customer experience is central to revenue recovery. During the third quarter of 2025/26, registrations on the City's electronic billing and payment platform increased by approximately 62% compared with the previous quarter.

We must build on digital adoption through e-Joburg and the Central Service Delivery platform while maintaining accessible customer service centres and other established channels. Billing education, property rates and valuation information, pensioner rebate awareness and responsive query resolution remain priorities.

Customer complaints must help us identify systemic failures. Our objective is not simply to close more queries but to prevent recurring problems and build public confidence.

Debt Relief: final opportunity before 31 October 2026

The City's Debt Relief Programme Phase 4 closes on 31 October 2026. By the end of July 2026, the City had received more than 18,000 applications linked to approximately R2.05 billion in municipal debt, with approximately R1.25 billion in qualifying relief submitted for processing. These figures reflect the programme's position at that time.

Qualifying residents, pensioners, businesses and organisations who have not applied are urged to submit completed applications and supporting documents at their nearest municipal Customer Service Centre before the deadline. Customers must continue paying current charges and honouring applicable payment arrangements.

The programme is an opportunity to assist eligible customers while restoring sustainable payment behaviour and protecting municipal revenue.

From financial recovery to sustainable service delivery

Johannesburg has demonstrated that financial improvement is possible, but our responsibilities extend beyond favourable ratios. Residents must experience the benefits through reliable services, maintained infrastructure, accurate accounts and responsive support.

We cannot build a financially resilient Johannesburg through plans that are not implemented, budgets that do not translate into services or commitments that are not followed by results. The months ahead must be defined by implementation, accountability and measurable progress.

Financial sustainability is not the destination. It is the foundation for a functional, inclusive, competitive and resilient Johannesburg. Together, we must turn financial pressure into financial progress and deliver the Johannesburg our residents deserve.

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