

**CITY OF JOHANNESBURG BUDGET SPEECH ADDRESS BY CLR DADA MORERO  
ON THE 14<sup>th</sup> OF MAY 2024, AT THE CONNIE BAPELA COUNCIL CHAMBERS,  
BRAAMFONTEIN, JOHANNESBURG**

**Honourable Speaker of Council, Clr Margret Arnolds**

**Honourable Chief Whip of Council, Clr Zungu**

**Honourable Executive Mayor, Clr Kabelo Gwamanda**

**Members of the Mayoral Committee**

**Honourable Councillors**

**Deputy Ministers, MECs and Members of the Provincial Legislature**

**Gauteng Chairperson of the South African Local Government Association**

**City Manager and your Administrative Team**

**Fellow South Africans**

**Guests in the Gallery**

**Ladies and Gentlemen**

**Dumelang...**



**Hello**

Baba thina sinje

Sinjengamajuba

Baba thina sinje

Sinjengamajuba

Baba thina sinje

Sinjengamajuba

Hallelujah

Sinjengamajuba

Ntate rona re tje

Re tje ka Maeba

Ntate rona re tje

Re tje ka Maeba

Ntate rona re tje

Re tje ka Maeba

Hallelujah

Re tje ka Maeba

***Baba sibonka R83.1 billion.***

***Ntate realeboga R83.1 billion.***

***Thank you, Lord, for the R83.1 billion.***

***Dankie heer vir die drie en tagtig biljard.***

**MADAM SPEAKER;**

As we celebrate our political freedom and consolidate our material democratic gains to emancipate South Africans from mental slavery, it is incumbent upon all of us to also celebrate and recognise sign language as an official language. On Wednesday 19 July 2023, President Cyril Ramaphosa signed into law the Sign Language Bill. This was a significant milestone for democratic South Africa. Undoubtedly, the recognition of South African Sign Language has changed the lives of many people. As a symbolic contribution of this budget speech, let us recognise our vulnerable groups, especially those living with disabilities.



thank you

Thank you for joining us in honouring the City's 2024/25 budget speech, which practically makes all IDP aspirations a reality. During our community consultation dialogues, we presented and discussed the People's plan known as the Integrated Development Plan (IDP), supported by this budget, and a majority of Joburg residents welcomed the plan. These residents gave us one clear message which is that no one must be left behind. This mobilising call of inclusion was echoed by our national and

provincial government, under the leadership of President Ramaphosa. It is against this backdrop that this budget is themed:

***“AN INCLUSIVE BUDGET THAT LEAVES NO ONE BEHIND!”***

### **TO THE PEOPLE OF JOHANNESBURG;**

Last year we pleaded and asked for patience as we all collectively adopted a rather complex budget that required all of our attention and commitment to fix and service the people of Johannesburg under objectively difficult conditions. We reaffirmed the Amilcar Cabral maxim when we told you that history requires us not to claim easy victories and tell no lies. The facts we had to contend with were telling us that when in 2017/18, the cash decreased by 38% to R2.2 billion, this translated to a crisis. This trend is consistent with how the previous administration managed the finances of the City. When they came into office, the City had nearly R5 billion in its coffers plus a sinking fund of about R3,7 billion. Unfortunately, till today the perpetrators responsible for this mismanagement have not owned up for their mess.

Fortunately, this year, we have managed to stabilise the budget and we did this in a transparent manner.

We also told you that we cannot solve our challenges alone. This year we are manageably well working together with all three spheres of government. Through the National Department of Cooperative Governance and Traditional Affairs (CoGTA), we

are partnering with the National Business Initiative (NBI) and the World Resource Institute to mitigate against climate change. Furthermore, National Treasury, through their Government Technical Advisory Centre (GTAC), we are putting in place funding mechanisms to fund infrastructure projects. Moreover, in Lanseria, we are working with the private sector to fund bulk infrastructure that sizeably contributes to the development of Lanseria as a Smart City.

**MADAM SPEAKER;**

We must recognise that in the current financial year, our City has emerged as a demonstrable flagship of progress, attracting over R64 billion in private sector investments across various platforms. This staggering influx of capital has not only resulted in the development of state-of-the-art infrastructure but has laid the foundation for transformative projects that will shape the future of Johannesburg.

These are tangible results of our relentless commitment to support the private sector and attract investment in our City. Take for instance, the new Johannesburg Surgical Hospital in Northcliff which now boasts a state-of-the-art private hospital with an investment of approximately R700 million. But that is not all, our continuous investment has resulted in the approval of the Central Park development in Albertville, a monumental project set to deliver over 5,000 dwelling units, valued at R5 billion.

Let us not forget the groundbreaking international data centre in Chartwell, a testament to our City's emergence as a hub of technological innovation, worth an investment exceeding R20 billion. We further approved the R3 billion development in Barlow Park which comprises offices, retail and dwelling units and an industrial development by the developers in Linbro Park of over 24,000 square metres valued at R550 million. This Linbro Park development will generate R7 million in rates and taxes to the City and create 1,500 jobs during construction over the next 3 years.

Clearly the new administration is actioning **“AN INCLUSIVE BUDGET THAT LEAVES NO ONE BEHIND!”**

In the area of Human Settlements, our commitment to inclusivity knows no boundaries. Since the inception of our Spatial Development Framework 2040, which was approved during Councillor Park Tau's tenure as Executive Mayor, we have been unwavering in our pursuit of inclusive housing solutions.

In the current financial year alone, our City has approved over 13,500 dwelling units and over 236, 000 square metres of commercial space. These projects hold immense promise, not only in addressing our pressing need for jobs but also in strengthening the City's revenue streams for years to come. This substantial investment in supporting infrastructure such as sewer, water, roads, stormwater and electricity, signifies our commitment to sustainable growth. With each development, we pave the way for a brighter future, one that benefits our residents and ensures the Johannesburg grows to be a World Class African City.

Moreover, we are not just building structures, but we are building communities that are accessible to all. Our investment in infrastructure that supports people with disabilities, is a testament to our commitment to creating a city that is truly inclusive. To this end, we have allocated over R160 million over the medium-term towards projects aimed at improving access to the City and its amenities, for people living with disabilities. In this regard, these projects include:

1. Complete Streets: Orlando East to UJ Soweto Route.
2. Complete Streets: NMT links to public transport facilities in Orange Farm.
3. Fordburgs Public Environment Upgrades
4. Inner City Partnership Fund
5. Jabulani Precinct Upgrades
6. Zandspruit Precinct Upgrades

## **TO THE RESIDENTS OF JOHANNESBURG.**

As we continue to build this infrastructure, we must all understand that we are contributing to building a better South Africa that is enjoyed by all. Universal access to basic services is what drives us to improve our basic service so that we too can join all South African in recognising the following achievements from the past 30. These achievements are stipulated by StatsSA when it informs us that:

1. 88,5% of South Africans live in formal dwellings.
2. 94,7% of South Africans have access to electricity.
3. 82,4% of South Africans have piped water.

4. 70,83% of South Africans receive sanitation services from municipalities.
5. 66,3% of South Africans' waste is removed once a week.
6. 89% of municipal infrastructure Grants is spent by all municipalities in South Africa.

As we work to improve further the lives of our citizens and communities beyond these factual statistics, we will make sure that no one is left behind.

### TO MY FELLOW COLLEAGUES AND COUNCILLORS.

Fellow Joburgers, this year you are trusting us with a budget of R83.1 billion.



As a city government, we understand our challenges that the City is struggling to raise its revenue capacity that needs to be supported by continuous investment in refurbishing and replacing infrastructure that maximally responds to the needs of our residents.

In recent years, bulk infrastructure across the City has come under pressure for several reasons:

1. Aging infrastructure that cannot cope with demand.
2. Impact of loadshedding on infrastructure.
3. Budgetary constraints.

To systematically address these challenges, difficult choices and trade-off had to be made to ensure that the budget priorities and investments in City's IDP programmes drive revenue improvement, curb leakages, whilst being mindful of the developmental needs in Johannesburg. These budgeting principles inform the composition of our Budget for 2024/2025 Budget of approximately R83.1 billion. The Operational Expenditure proposed is R75.7 billion. Meanwhile, the Capital Expenditure is at R7.4 billion for 2024/25 with a three-year capital budget of R23 billion.

## **WHAT INFORMS THIS BUDGET?**

The City's funding model continues to rely on revenue generated from trading services as a primary source of revenue, followed by grants and loans. In light of the tight economic climate that South Africa is facing, the share of national grants allocated to local government remains constrained, causing municipalities, especially metros like Johannesburg to be reliant on own sources of funding. The current operational and capital budget funding model is based on the continued and sustained generation of surplus through trading services, primarily water and electricity. This is complemented by revenue raised through property taxation and grant funding.

Budget provision will be made for the Politically Facilitated Agreement (PFA) and the implementation of the Court ruling on Joburg 130. The increase in contracted services and operational cost are limited in total, to maintain a sustainable and budget funded position.

As a responsible government, we had to ensure sustaining the key financial ratios of the City in line with investor covenants and National Treasury guidelines.

## **TO THE MEDIA.**

Did you know that the City of Johannesburg has the lowest property rates tariff increases for 2024/25 financial year. Property rates revenue is the third largest revenue stream for the City and funds basic services such as health, community development, roads, cemeteries, parks and libraries. In the 2024/25 financial year, our initial proposal for the property rates increase was 4.8% based on the CPI assumption used in the budget. Despite that initial proposal of 4.8% being the lowest amongst all metros, in the final budget we are proposing a further 1% reduction to a tariff increase of 3.8%. For electricity increase the tariff increase is 12,7%. Our water tariff increases by 7,7%.

However, we maintain our highest standard of drinking water compared to our counterparts. According to the 2023 *National Blue Drop Report*, the City of Johannesburg Metropolitan Municipality (with Rand Water as Water Service Provider) is the best performing Water Service Authority in the province, with a Blue Drop Score of 98.1%. In terms of Sanitation, we are amongst the lowest at an increase of 7,7% and

refuse at 5,9%. For us, it is about improving the quality of life, and this is why Johannesburg remains the home of all South Africans.

As we try to shield our communities from financial pressures and shocks, we must be mindful that we do not operate in isolation. We have a collective duty to build investor confidence and to build a stable and resilient City government in service of and for the people. There is an African proverb that says:

***“If you want to go fast, go alone; if you want to go far, go together!”***

Indeed, alone we will not resolve challenges confronting local government. Therefore, it is important that we partner with business, organised labour, civil society, non-governmental organisation, residents, and communities to address structural and systematic issues affecting the City of Johannesburg.

We remain guided and committed to implementing the District Development Model (DDM) as adopted by the 6<sup>th</sup> administration, which reminds us of the importance of crowding-in public, private funds for developmental and capable local government. This has to be done in an all-inclusive manner as directed by joint district implementation plans. In this case, the Lanseria Presidential Smart City Programme is our starting point. Together with our provincial and national government and the private sector, we are building an estimated 3 million population City space. As a city of firsts, we are contributing over R628 million to leverage and unlock the Northern Wastewater Treatment Plant valued at R4 billion, which is aimed to bring joy to the people of

Johannesburg. This development will be inclusive, sustainable and whoever wishes to be in this development space, they will be supported by the City of Johannesburg.

## **TO ALL POLITICAL PARTIES PRESENT IN COUNCIL.**

The dove or *ijuba* is an international symbol for peace. As we reflect on the 30 years and the transitional process for South Africa's democracy, we must remember that the process of negotiations to create a democratic society was not easy. All sectors of society had to come together to support representative political parties to manage this process effectively. Remember the Peace Song, which was based on the original Peace in Our Land song, written and produced by Sello "Chicco" Twala who featured many music stars, including Brenda Fassie, Thandeka "PJ" Powers, Nana Coyete, Mzwakhe Mbuli and Yvonne Chaka Chaka? The lyrics were simply memorable, and we can all remember them as if 1994 was just yesterday:

***"South Africa/ We love you  
Our beautiful land/  
Let's show the whole world/  
we can bring Peace to our land"***

Remember the Peace dove symbol, which create hope for all South Africa, as it ushered a new dawn for South Africa?



Before I present the budget allocations, which is guided by the people of Johannesburg and this council, Madam Speaker allow me to request every councillor to raise the South African flag located in front of them.

Our flag is our symbol of our democracy, hope and unity. We must never undermine the power of the South African flag. We are united and as the Johannesburg Council, we have a commendable track record of putting our differences aside and working together to support the adoption of the IDP and its Budget. As such, this budget is a product of wide consultation, and every political party expressed their views which were reasonably considered and factored in.

The 2024/25 IDP Review and its budget acknowledges the decaying infrastructure, which during the apartheid regime was only built to service minority communities. This infrastructure resulted in backlogs that we are experiencing today. This budget tries to break this cycle of infrastructure oppression and segregation. As the City government we

will use the built environment to transform our spaces, create economic growth, and built a resilient city where no one is left behind. As you engage with the budget, one would realise that we are putting in place infrastructure projects that are designed to:

1. Keep lights on.
2. Provide quality drinking water.
3. Eradicate potholes.
4. Create jobs through our co-production model, which enables communities to take ownership of their own development.
5. Keep the City Clean.
6. Create reading and learning spaces for communities.
7. Build inclusive community facilities.
8. Create a smart city that improves the quality of life for all residents.

**MADAM SPEAKER;**

The Growth and Development Strategy (GDS) Vision 2040, remains our development path. We have completed the first decade of the GDS, which warned and advised on how best to build a world class African City. This IDP and budget accelerate our transformation and developmental agenda to build a resilient city that is financially sustainable and put the people of Johannesburg at the centre of development.

**MADAM SPEAKER;**

We are a caring government, and we will continue to offer a wide-ranging basket of rebates to cushion the most vulnerable such as child-headed households and pensioners, while also providing rebates to encourage economic rejuvenation of Central Business Districts across the city.

The budget allocations for the 2024/25 to 2026/27 Medium-Term Revenue and Expenditure Framework, relies on the 2 phase of the GDS 2040 which informs our long-term goals and strategic intent. The allocations are aligned to the 11 priorities outlined in the 2023/24 IDP.

**THE BUDGET ALLOCATION ARE AS FOLLOWS.**

**SUSTAINABLE SERVICES CLUSTER** comprises the Environment and Infrastructure Department, Housing, City Power, Johannesburg Water, Pikitup, and the Johannesburg Social and Housing Company (JOSCHO), provides the core of the Local government mandate of basic service delivery to the residents of Johannesburg. A capital budget of R14.6 billion across the medium-term and an operational expenditure budget of R46 billion in the 2024/2025 financial year has been allocated to the Sustainable Services Cluster.

The cluster receives 61% of the operating budget and 64% of the three-year capital budget to ensure responsiveness to daily service delivery requirements and strengthening of the bulk infrastructure network. Included in the cluster are trading services that levy consumption-based charges.

In the 2025/26 financial year, National Treasury will be introducing performance-based incentive for the USDG starting with water and sanitation services and rolled out to other trading services in subsequent financial years. The intention is to emphasise the importance of spending on refurbishing and renewal of existing bulk infrastructure to improve the performance of trading services. Furthermore, the intention is to emphasise the importance of spending on refurbishing and renewal of existing bulk infrastructure for water and sanitation, electricity distribution and solid waste management trading services. In anticipation of this reform, allocations in this budget have increased the portion of USDG allocated to the trading services.

**MADAME SPEAKER;**

**IT HAS BEEN 48 DAYS OF NO-LOAD SHEDDING.**

**INDEED, THE GOVERNMENT OF THE DAY IS HARD AT WORK!**

Electricity is the City's largest revenue source and expected to generate revenue of R21.5 billion (excluding new connections fees) is a 12.1% increase from the 2023/24 financial year. The increase is based on a proposed average tariff increase for electricity of 12.7% and the strategic drive to reduce total electricity losses to a level of 28.8% for the 2024/25 financial year. The bulk purchase price increase is due to the Eskom tariff increase of 12.7%, Kelvin Power tariff price of R1.63.

**City Power** will utilise the R22 billion operational budget to meet daily service delivery needs, such as buying power from Eskom and Kelvin, fixing and installing streetlights, responding to service failures and doing preventative maintenance, and protecting infrastructure from theft and vandalism.

On the dispute between City Power and Eskom, the City is committed to the appointment of an independent mediator to resolve the current impasse between City Power and the Eskom. Additionally, the matter is currently before the courts. As you are aware, the dispute involves Eskom's claim that City Power owes Eskom R1,073 billion, and City Power's counterclaim is that Eskom has potentially overcharged City Power by R3,32 billion on bulk purchases. As such, the aim of the mediation is to find a mutually acceptable settlement and avoid lengthy and expensive legal proceedings.

The survival of our business customers is at risk. Therefore, City Power has made the following decisions by approving and implementing the Integrated Energy Resource Plan (IERP) to:

- Change the existing business model and over-reliance on Eskom.
- Seek to engage with Customers and retain them (especially, Business and industrial customers).
- Provide all customers with Tariff-reducing Solutions and where possible shield them from continuous loadshedding.

The implementation of the IERP includes the refurbishment and re-energization of the Open Circle Gas Turbines, bringing additional plus or minus 70MW's into the grid, procurement of 92MW through Short Term Power Purchase Agreements and deployment of Small-Scale Embedded Generation (SSEG) aimed at fast tracking the electrification of formal and informal settlements.

City Power is allocated a three-year capital budget of R4.2 billion, which is aimed at various infrastructure projects.

City Power is pursuing a business sustainability drive, in response to the changes in the power sector. Customers are switching and adopting new technologies and options. A result is that Eskom is becoming less dependable and more costly as a power source. This challenges City Power's business model, sustainability, and profitability. Understandably, customers can no longer tolerate high tariffs for electricity.

To expand the customer base and provide capacity in areas that the City of Johannesburg has prioritized for rapid development, it is essential to upgrade existing infrastructure.

- The infrastructure needs to be refurbished to lower the risk of equipment failure.
- Bulk Infrastructure upgrade is critical for grid reliability and continuity of electricity supply, including the efficient network operation from the Eskom intake points at various voltage levels.

The microgrid electrification programme expedites electrification of informal settlements and reduces the electrification backlog. Currently there is an electrification backlog of 312 informal settlements which still needs to be upgraded. City Power has rolled out 1 megawatt microgrid to supply amaRasta Informal Settlement in Alex.

## **TO THE PEOPLE OF ORANGE FARM, SOWETO, SANDTON, AND DIEPSLOOT**

We are happy to report on the progress of the transfer of supply rights from Eskom to the City of Johannesburg for Soweto and Sandton. The cross functional team of City Power and Eskom have finished a detailed feasibility study and the high-level plan for transferring the business from Eskom to City Power. This plan is currently being discussed with the relevant internal stakeholders for comments and we will soon conduct public participation before the final implementation commences.

**MADAM SPEAKER;**

***Johannesburg Water's*** allocation for operational budget of R18.3 billion will respond to programmes including Water Quality Assurance, Sewer Quality Service, Water Demand Management systems and Prevention of infrastructure theft and vandalism.

The entity is further allocated a R4.5 billion multi-year capital budget. The allocation is aimed at carrying forward projects that investigate the maintenance and upgrade of existing water bulk infrastructure.

The focus is mainly on the upgrading and renewal of networks, expansion of Wastewater Treatment Works, reservoir storage capacity and water demand management initiatives. In the next five years, 77.8 km of water networks and 73.6 km of sewer networks is planned to be replaced. In 2024/25, Johannesburg Water will continue to roll out the reservoir storage upgrades. These projects will position the City of Johannesburg to be the preferred investment destination, based on its ability to offer business opportunities through infrastructure.

Through the upgrade of informal settlements programmes, it is estimated that 1,200 households will be provided with at least a minimum of service level 1 basic water services in the 2024/25 FY. These households are in Crosby, Zandspruit and St Mary's.

**Pikitup** with a mandate of Waste Management and Environmental Protection, has been allocated an operating budget of R4.4 billion and a three-year capital budget of R1.1 billion.

To address the cleanliness levels in the Inner City, a new operational model has been developed and implemented and will continue to be refined. The plan addresses changes in the shift system, use of technology as well as stakeholder management and partnerships with key stakeholders.

Pikitup operates four waste landfill sites which are only left with less than 5 years disposal airspace. This puts the city and Pikitup under tremendous pressure to develop waste treatment and disposal infrastructure. The medium-term capital budget allocation seeks explore possible extensions in the footprint of the existing landfills to ensure compliance and security of disposal infrastructure. The City is also developing recycling facilities to ensure waste is diverted from landfills and to support recycling initiatives. Landfills are not the future, and we must explore alternative solutions to manage our waste.

***Environment and Infrastructure Services Department*** is allocated an operational expenditure budget of R140.4 million and R119 million for the three-year capital budget.

The allocated budget will focus on:

- Air Quality.
- Climate change and Energy.
- Water and Biodiversity management.

- Impact Management and compliance.
- Waste management.

**Human Settlements Department** has been allocated an operational expenditure budget of R1.2 billion for 2024/25, and a multi-year capital budget of R3.4 billion over the medium-term. Through this budget the department will annually deliver over 2,000 housing opportunities; provide access to water and sanitation services to over 2,000 households in informal settlements and develop 600 serviced sites. R1.5 billion has been allocated to the Lufhereng mixed housing development. The City also continues to reimagine the hostels with an investment of R146 million over 3 years for Dube, Meadowlands, Helen Joseph, Madala and Merafe.

Within the Human Settlements portfolio, **JOSHCO** provides and manages affordable rental housing stock for the lower income market as part of its contribution to eradicating the housing backlog. The entity has been allocated a three-year capital budget of R1.2 billion and an operating budget of R272 million for the 2024/25 financial year.

JOSHCO plans to increase its rental stock by no less than 5,000 units in the next five years. This will be achieved through, amongst others, the implementation of turnkey projects that have a potential to deliver units in a larger scale. Turnkey projects in region A, B and D have been allocated a three-year budget of R134 million.

**MADAM SPEAKER;**

The next cluster is the Human and **SOCIAL DEVELOPMENT CLUSTER**, which houses Community Development, the Health and Social Development Departments, Joburg City Parks and Zoo, as well as the Joburg Theatres. This cluster is the most human capital intense cluster, as it deals with human interest matters from the cradle to the grave.

The cluster's operating expenditure budget for the 2024/25 financial year is R10.8 billion. Across the three-year medium term, the cluster's capital budget amounts to approximately R888.5 million

**MADAM SPEAKER;**

***Community Development*** has been allocated an operating budget of R1.4 billion. The Department offers a wide range of services, programmes, and activities towards a shared understanding of social values and building social integration. The department with its partners implements drug and substance awareness programmes targeting Youth who are at risk through interactive educational programmes, sports activities, digital literacy and arts and cultural activities.

**FELLOW COUNCILLORS;**

Community Development has further been allocated a three-year capital budget of R174 million for the upgrading and construction of facilities with R105 million towards upgrade and construction of Community centres in Lehae, Kaalfontein, Matholesville and Driezek as well as and R22 million on completing swimming pools in Ivory Park and Cosmo City. R25 million has been provided for the upgrade of the Joburg City Library.

**MADAM SPEAKER;**

The operating budget for Health Department increases by 4.8% to R1.5 billion which will be used to continue programmes on:

- Maternal and child Health Care, HIV and AIDS, Communicable Disease.
- Rollout of Mobile Clinics to increase access to primary health care.
- Initiate and fund localised female dignity packs.

R159 million is allocated for the three-year capital budget and projects include:

- R64 million for upgrade and construction of clinics including Naledi, Zandspruit, Hikensile and Protea South.
- R8.5million investment in an environmental Health system.
- R22 million for back up electricity across all health facilities.

The ***Social Development Department*** is allocated R339.3 million for operational programs that include:

- Consistent support and uplifting of marginalised communities such as women, youth, aboGogo, people with disabilities and LGBTQIA+ through coordinated programmes across all departments. Indeed we are not leaving anyone behind.
- Substance Abuse Treatment Centre Programmes.
- Assist the homeless including shelters, skills development, rehabilitation facilities, and work opportunities in collaboration with NGOs.
- Food security programme in partnership with NGOs and the private sector.

**MADAM SPEAKER;**

***Public Safety*** is allocated a three-year capital budget of R157 million. Some of the key projects to be implemented include R9 million for standby generators for fire stations across the city; R19 million for firearms for recent recruits; and R42 million to continue with the Integrated Intelligence Operating Centre.

The operating budget allocation for 2024/25 of R6.1 billion, mainly funds the cost of human capital to implement programmes such as:

- Combat lawlessness through improved by-law and traffic enforcement. R335 million of the operating budget will be directed to by-law enforcement.
- Security services and guarding of city property, especially hijacked buildings in the Inner City.

- Effective medical emergency and fire response.
- Providing relief for disaster areas.
- Effective building inspections and compliance.

## **FELLOW COUNCILLORS;**

***Johannesburg City Parks and Zoo*** is allocated a multi-year capital budget of R125.3 million. The allocation is set to cover upgrades to the zoo infrastructure, various parks city wide as well as cemeteries. Our invest in the Zoo has resulted in improved visitor numbers.

The operating expenditure budget of R1.3 billion will fund day-to-day operational costs including grass cutting and public space management.

The ***Joburg Theatres*** is Africa's leading home of live entertainment, presenting world-class international and home-grown theatre. It is further responsible for providing venues where performing arts professionals and amateurs alike can showcase their work. The entity is allocated an operating expenditure budget of R259.5 million, and a three-year capital budget of R68 million for all three theatres – Promusica in Roodepoort, Soweto Theatre in Jabulani and the Joburg Theatre in Braamfontein.

**MADAM SPEAKER;**

The operating expenditure budget of R7.6 billion for the **ECONOMIC GROWTH CLUSTER** increases by 2.9% from the 2023/24 financial year. The three-year capital budget allocation totals R5.3 billion. This cluster coordinated departments such as Economic Development, Transport, and Development Planning.

The **Economic Development Department** has been allocated an operational expenditure budget of R236.5 million for 2024/25 and R8.3 million capital budget over the medium term. The direct revenue budget increases by 10.2% to R90.7 million due to the receipt of the Public Employment Program and EPWP grant allocations.

The **Transport Department** is allocated a multi-year capital budget of R1.2 billion. Projects to be undertaken include R170 million to complete the investment in Rea Vaya phase 1C infrastructure to bring it to operational readiness. To provide dignity to our communities that use public transport, R300 million will be invested in upgrading public transport facilities citywide including Metro Mall, Lehae, Orange Farm and Chiawelo.

**FELLOW COUNCILLORS;**

The Transport Department's operational expenditure budget allocation is R2.2 billion, which will ensure operationalization of the Rea Vaya route between Alexandra, Sandton and the Inner City as well as the Johannesburg International Terminal Interchange.

**Development Planning** is allocated an operating expenditure budget of R478.8 million.

The allocation will respond to:

- Digitisation of town planning application processes to enhance the customer experience and reduce lead time. This is part of the initiatives to improve the doing business index and increase investment attraction for Johannesburg.

As the of City of Johannesburg, we are proud to have reduced our turnaround times from an average of 30 days to 3 days for building plans. This was achieved through the first phase of Construction Permit Management System. All building plans in the City are submitted through an electronic system.

Through its bylaw enforcement initiatives, the department is targeting demolition of illegal buildings which are putting a strain on our bulk infrastructure, whilst not contributing to our revenue base.

**MADAM SPEAKER;**

Development planning's multi-year capital budget of R201 million over the medium-term, will be used for projects including R80 million for Public environment upgrades and precinct developments including Brixton, Jabulani, Zandspruit and High Court precinct. The department is committed to encouraging accessibility to the City by all its residents by creating inclusive public spaces that also take care of the needs of pedestrians, including those with disabilities.

The **Joburg Market** is allocated an operating expenditure of R610.2 million and a three-year capital budget of R200 million. The budget is allocated to projects that will drive greater volumes of produce through the market and generate more revenue. We are pleased with the revenue performance that has exceeded R1billion.

**Johannesburg Roads Agency** (JRA) is allocated a three-year capital budget of R2.2 billion and an operating budget of R1.6 billion for the 2024/25 financial year. Climate change has increased the incidence of heavy rain and flooding. In response the entity will invest R385 million in stormwater improvements in such areas as Protea Glen, Orange Farm, Braamfischer and Ivory Park, amongst others. R331 million has been allocated for bridge rehabilitation and renewal city-wide.

To improve the lived experiences in some of our most deprived communities, JRA will invest R665 million in the tarring of gravel roads in Orange Farm, Diepsloot, Kaalfontein, Mayibuye and Ivory Park.

**Metrobus** is allocated an operating expenditure budget of R714.8 million, and a three-year capital budget of R484 million with R336million going towards purchasing of buses to respond to the demands for bus service. This investment will increase passenger numbers in future and increase revenue contribution.

**MADAM SPEAKER;**

**Johannesburg Tourism Company** has been allocated an operating budget of R95.2 million and a three-year capital budget of R3.7 million to promote Johannesburg as a destination of business opportunities, lifestyle and entertainment. The entity was established to ensure that Johannesburg is a sought-after tourist destination within the continent and use Conventions, Sport, Retail Tourism and Events as key drivers for tourism growth.

**Metro Trading Company (MTC)** is allocated an operating expenditure budget of R528.1 million, and a three-year capital budget of R15.6 million. The entity provides connectivity throughout the city to support the work of various departments and foster economic growth by providing free Wi-Fi services to citizens. The budget will also ensure over 1,000 CCTV Cameras are connected to the video-management system of the Integrated Intelligence Operations Centre.

**Johannesburg Property Company (JPC)** is allocated an operating expenditure budget of R1 billion, and a three-year capital budget of R286 million. Through its development facilitation initiatives on council-owned land, JPC will over the next three year will attract investment and business of R10 billion, and thus enhancing economic returns to the City.

In the 2024/25 financial year, there is anticipated a once-off outdoor advertising revenue of R400 million from the expected conclusion of new leases and the accounting of revenue arrears that the advertising agencies owed to the City.

**Johannesburg Development Agency** (JDA) is allocated an operating expenditure budget of R136.1 million, and a three-year capital budget of R643 million. Included in the capital allocations is R240 million for the strategic investments in the Orange Farm Urban renewal programme.

The entity will continue with its agency work on behalf of various city departments and entities as well as precinct development work across the city.

**MADAM SPEAKER;**

Our fourth cluster, **GOOD GOVERNANCE** which is made up of the Office of the City Manager with the following group function departments - Group Forensic and Investigation Service (GFIS), Group Finance, Group Information and Communications Technology (GICT), Group Corporate Shared Services, the Ombudsman, and the Legislature.

The cluster provides governance, support, and shared services to optimise the institutional capacity of the City to deliver services.

**MADAM SPEAKER;**

The three-year medium-term capital budget of the Good Governance Cluster amounts to approximately R1.9 billion.

**Group Information Communication Technology's** Operating expenditure budget amounts to R1.1 billion. Projects funded by the three-year capital budget of R1.3 billion include:

- R146 million for Smart City enablement including e-procurement to digitise contract management, tender management, and demand management which improve turnaround times in Supply chain processes. Through this budget the current SAP CRM will be replaced together with the introduction of the central service delivery App and new customer engagement application.
- R382 million for SAP and Non-SAP upgrade and modernisation to implement financial reporting modules aimed at improving the quality of financial reporting and move the City towards MSCOA compliance.

The department is allocated R287million to modernise our revenue management system and enhance the customer experience.

**MADAM SPEAKER;**

**Group Finance** is allocated a R6.1 billion operational expenditure budget and R37 million capital budget over the medium-term. The department will focus on strengthening the City's financial position. The City is actively pursuing alternative funding mechanisms to crowd-in private sector participation in infrastructure investment.

The City is implementing its partnership agreement with the Government Technical Advisory Centre (GTAC). This partnership includes:

- the Lanseria wastewater treatment works which will unlock large scale developments in the Lanseria Airport City and have far reaching economic spinoffs to the City, linked to the development of an international Airport within Johannesburg.
- Wastewater treatment effluent reuse and reclamation to relieve pressure on the Vaal River Supply system.
- Water Conservation and demand management programme that will identify water savings initiatives and drive reduction in unaccounted for water.

**MADAM SPEAKER;**

**Group Corporate Shared Service's** operating expenditure is R936 million. Part of this allocation is to address issues relating to the Political Facilitated Agreement. Last year we allocated R462 million. This year, we are a caring government, and we are allocating R701 million.

The capital allocation for the medium term of R513 million includes the following projects:

- R398 million for Red Fleet procurement.
- R100 million for specialised fleet procurement that supports service delivery functions across the City.

The **Legislature**'s operating expenditure budget is R548.2 million and mostly focuses on active citizenry and capacitation of Councillors in the execution of their roles as public representatives. The services provided by the Legislature assist the City to have:

- Functional ward committees.
- Functional Community participation
- Structures that support good governance and accountability.

### **IN CONCLUSION MADAM SPEAKER;**

Reimagining Johannesburg is one thing and living in Johannesburg is another. We must never stop dreaming about the future of Johannesburg. There is no reason why we cannot manufacture aeroplanes. There is no reason why we cannot explore avenues that help us to reduce our dependency on Eskom, avert loadshedding and at the same time retain our customers. We need a sustainable energy strategy for the future.

Investor confidence must occupy our minds. Where there is no confidence, there is no municipal services. The only way to build investor confidence is to do the basics right, plan and constantly work on building relationships with key stakeholders. We must be seen as investors rather than service delivery trucks.

This budget of R83.1 billion is an investment brought to you by the City of Johannesburg. Indeed we are actioning **“AN INCLUSIVE BUDGET THAT LEAVES NO ONE BEHIND!”**

To all the registered political parties, we wish them well for the big event that is taking place on the 29 May 2024.

To the residents of Johannesburg, let us us all go out in our numbers and participate in the upcoming General Election. You fought for this election and we urge you to use your vote, wisely.

We thank you!

**MADAM SPEAKER;**

On behalf of the Executive Mayor and the government, I present the following for consideration by this august house, and for approval at its Council meeting scheduled for 15 May 2024:

- **ITEM 1: 2024/25 INTEGRATED DEVELOPMENT PLAN (IDP) AND 2024/25 DEPARTMENTAL AND**
- **MUNICIPAL ENTITIES BUSINESS PLAN**
- **ITEM 2: TABLING OF THE 2024/25 INSTITUTIONAL SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLAN (SDBIP)**

- **ITEM 3: THE 2024/25 - 2026/27 MEDIUM TERM BUDGET AND RELATED DOCUMENTATION FOR THE CITY OF JOHANNESBURG**
- **ITEM 3A: 2024/25 - 2026/27 MEDIUM-TERM OPERATING BUDGET FOR THE CITY OF JOHANNESBURG**
- **ITEM 3B: 2024/25 - 2026/27 MEDIUM-TERM CAPITAL BUDGET FOR THE CITY OF JOHANNESBURG**
- **ITEM 3C - THE REPORT ON OUTCOMES OF PUBLIC CONSULTATION ON THE PROPOSED 2024/25 BUDGET AND ITS REVENUE RAISING MEASURES AND THE TECHNICAL EVALUATION LED BY NATIONAL TREASURY**
- **ITEM 3D: DRAFT RATES POLICY AND RATES BY-LAW**