



## Submission on the City of Johannesburg Draft 2023/24 Budget

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Submitted by: 1to1 Agency of Engagement, Planact and International Budget Partnership South Africa as part of the Asivikelane Campaign<sup>1</sup> representing informal settlements communities in the City of Johannesburg.

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Based on an analysis of the City of Johannesburg's draft 2023/24 budget, the draft 2023/24 Business Plans for Johannesburg Water, City Power, Pikitup and the input of informal settlement residents in Johannesburg; Planact and 1to1 Agency of Engagement would like to submit the following recommendations:

**The City must increase the target and budget allocation for the provision of standpipes to informal settlements.** At the very least, the metro should budget the same amount as in the 2022/23 adjusted budget. To facilitate this, the City's Department of Human Settlements must finalise the list of settlements to be upgraded and receive standpipes as a matter of urgency. The City should also publish the names of the settlements that will receive standpipes in 2023/24. (See page 4)

**The City must show how much it is budgeting for the provision, filling, and maintenance of water tanks.** The slowdown in the provision of standpipes to informal settlements means that these temporary solutions should be properly planned for and funded to ensure that all informal settlement residents have access to adequate water. It is critical that the City treats this as a temporary measure only and continues to plan and budget for the delivery of enough standpipes to all settlements. (See page 4)

**The City should plan and budget for the provision of permanent flush toilets to Informal settlements.** At the moment there is no indication in the budget or Joburg Water's Business Plan if the City intends to provide flush toilets in the coming budget year. (See page 5)

**The City must increase the target for the provision of a minimum level of sanitation (VIP toilets, pour-flush toilets or communal ablution blocks) and show the budget for this.** The names of the settlements that will receive new toilets should be published. In addition, the City should plan and budget for the replacement of old, dilapidated and dangerous VIP toilets. (See page 5)

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<sup>1</sup> [www.asivikelane.org](http://www.asivikelane.org)

**The City must show what it is budgeting for the provision and servicing of chemical toilets, as well as the desludging of VIP toilets.** The budgets should be increased to ensure regular cleaning and desludging of chemical toilets and regular desludging of VIP toilets. (See page 5)

**The City must allocate enough money to ensure that all informal settlements receive adequate waste removal and area cleaning services.** This should include dedicated budget allocations for refuse bags, waste containers and bins. In addition, more information should be published on the new waste bins to be provided to informal settlements, including the names of settlements that are going to receive those. We commend the City for increasing the allocation for waste management services to informal settlements, but it is doubtful if this relatively small increase will ensure that services are expanded to all informal settlements. (See page 5)

**The City must increase the allocation to the Formalisation of Informal Settlements project and publish the names of the informal settlements that will receive services under this project.** In addition, more detail should be provided on exactly what the communities will receive in the 2023/24 financial year. (See page 6)

**The City must reconsider its decision to not allocate any funds in 2023/24 to the Site and Service project.** (See page 7)

**The City must increase its budget allocations for both the electrification of informal settlements and public lighting.** It is disappointing to see no increases in the 2023/24 budgets for these projects. We further ask the City to publish the names of the settlements that will benefit from these projects. (See page 8)

**The City must ringfence a budget allocation for the repairs and maintenance of taps, toilets and pipes in informal settlements.** We applaud the City for increasing its overall repairs and maintenance budget and for increasing that budget's share of the value of its Property, Plant and Equipment (PPE) to 6,8%. We do urge the metro to ensure that informal settlements benefit from this increase. We further ask the metro to increase its repairs and maintenance budget further to bring it closer to the National Treasury guideline of 8% of PPE. (See page 9)

## **1. Asivikelane assessment of informal settlement service delivery in the City of Johannesburg**

Planact and 1to1 Agency of Engagement are Non-Governmental Organisations (NGOs) that have been working with informal settlements for over 40 years.<sup>2</sup>

1to1 and Planact, along with NGO partners organisation across South Africa and the International Budget Partnership South Africa (IBP South Africa), are part of the Asivikelane campaign.<sup>3</sup> This initiative gives a voice to informal settlement residents in South Africa's major cities who face severe basic service shortages. The campaign supports informal settlement communities to monitor the delivery of water, sanitation and refuse collection services and to engage with their municipality about these services.

In March 2023, Asivikelane asked informal settlement residents what they would like the City to allocate more money for in its 2023/24 budget, to address their specific service delivery challenges. This section summarises residents' requests and provides supporting evidence from the most recent Asivikelane surveys of the challenges faced by residents.

### **1.1 Inadequate access to water**

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<sup>2</sup> <https://planact.org.za/>; <https://1to1.org.za/>

<sup>3</sup> <https://asivikelane.org/>

82% of residents requested more money for the provision of water, to provide taps where there are none or not enough, and to improve drainage below communal taps. More money was also requested for the temporary provision of water to install more water tanks and increase the frequency of water delivery by trucks.

In February 2023, 40% of residents participating in Asivikelane said that they did not have access to enough water in the previous week. In addition, a small share of residents (about 3%) indicated that they do not have access to any source of water.

37% of residents use communal taps. However, over the last few years, residents have often reported that some of these taps are broken and low water pressure is a challenge. Almost a third of residents rely on water tanks and trucks for water. In February, residents reported that their tanks are not filled often enough, and the trucks are coming less regularly. In some settlements, there are not enough tanks.

## **1.2 Inadequate access to sanitation**

85% of residents asked for more money for the provision of sanitation, specifically to provide toilets where there are none or not enough or to replace old, dilapidated toilets (including Ventilated Improved Pit (VIP) and chemical toilets). Residents also requested more money to be allocated to ensure regular cleaning of toilets and to improve the drainage of chemical and VIP toilets.

In February, about 13% of residents reported that they still have no toilets, with some relying on self-dug pit toilets. A total of 36% of residents use some type of pit toilet (either self-dug or the VIPs provided by the City). In February 2023, many of these residents said that their toilets have not been drained for a “long while” and only 28% indicated that their toilet was drained in the previous 7 days.

The 45% of residents that use chemical toilets reported a more positive experience in February 2023, with 90% saying that their toilets were both drained and cleaned at least once in the previous week.

## **1.3 Challenges with refuse removal**

85% of residents requested a bigger budget allocation for refuse removal to provide a service where there is currently none. Money was also requested for the provision of bins/skips, enough refuse bags for all residents, and to regularly clear and clean communal dumping sites.

Also in February, 42% of residents said that their refuse was not removed in the previous week, with some residents indicating that they do not receive any refuse removal service. In October last year, 30% of residents reported that they do not receive any refuse removal service. In the same month, 61% of residents said that they do not receive plastic refuse bags from Pikitup. About half of the residents that do receive bags said that the bags are not enough.

## **1.4 Inadequate repairs and maintenance**

Funding for repairs and maintenance was requested by 83% of residents, to address issues such as broken taps, low water pressure, broken/leaking pipes and broken/blocked toilets.

The lack of maintenance and repairs remains a major challenge in the metro’s informal settlements, with residents often not being able to use the services in their settlements because faults are not being repaired. The metro’s fault reporting system also does not serve informal settlements adequately, making it difficult for residents to report breakages. And even if they manage to report faults, these are often not fixed. In October

2022, 49% of residents said that they do report faults in their settlements, but 44% of these residents said that after a month the fault was still not fixed.

## 2. Evidence from the metro’s 2023/24 draft budget and the draft business plans from the City’s entities

### 2.1 Provision of water to informal settlements

#### **Standpipes**

The City of Johannesburg considers the provision of water by communal or yard standpipes as the minimum level of service to informal settlements.

Unfortunately, both the budget and the target for the provision of standpipes to informal settlements (through the capital project called “Basic Water Service New Basic Water and Sewer Services”) are lower in the 2023/24 draft budget than in the City’s 2022/23 adjusted budget.

The City says that it plans to provide only 972 households with access to standpipes in 2023/24 – this is 34% lower than its target for 2022/23. None of the draft documents provide any indication of whether the City expects to meet its 2022/23 target, but this is doubtful given the reduction in the 2022/23 budget. In its draft 2023/24 Business Plan, Johannesburg Water (Joburg Water) says that the Upgrading of Informal Settlements Programme (UISP) Business Plan with the list of informal settlements that will receive these standpipes has not yet been finalised by the Department of Human Settlements. And Joburg Water says that the installation of these pipes is only expected to start in January 2024. No information is given about which settlements will receive standpipes.

**Table 1: Targets for the provision of standpipes**

	2022/23	2023/24	% change
Number of Households	1 478	972	-34%

Source: Final 2022/23 Joburg Water Business Plan, page 66; Draft 2023/24 Joburg Water Business plan, page 68

In its 2022/23 adjusted budget, the City indicated that it expects to only spend R42 million of the budgeted R88,6 million to install standpipes. This is less than half of its original 2022/23 budget for standpipes. The draft budget for 2023/24 is even smaller at R40 million, which is 5% less than the adjusted budget for 2022/23.

**Table 2: Budget for the provision of standpipes**

	2022/23		2023/24		2024/25	2025/26
	Adopted Budget	Adjusted Budget	Draft Budget	% change between 2022/23 and 2023/24	Estimate	Estimate
[R' 000]						
Basic water service: New basic Water and Sewer Services	88 613	42 000	40 000	-5%	50 000	50 000

Source: 2022/22 Adjustment Budget: Items 16 Annexures A and B, page 8, Draft 2023/24 Budget: Annexures A and B, page 8

The above seems to suggest that delivery of basic water by Johannesburg Water is being constrained by the Department of Human Settlement's delay in finalising the Upgrading of Informal Settlements Business Plan. This means that informal settlements residents who currently do not have access to enough water must wait even longer for the City to provide them with access to sufficient water.

### **Water tanks**

While Joburg Water's draft 2023/24 Business Plan again confirms that nominal water services (the level below the minimum level of service) are provided by mobile water tanks, no budget or targets are given for the provision, filling, and maintenance of these tanks.

## **2.2 Provision of sanitation to informal settlements**

There also appears to be a worrying slowdown in the delivery of sanitation to informal settlements.

According to Joburg Water's draft 2023/24 Business Plan, the minimum level of sanitation is a VIP toilet, pour flush toilet or communal ablution block. It is not clear if the communal ablution blocks should include permanent flush toilets. There is, however, no capital budget allocation for the provision of any permanent toilets.

Unfortunately, the 2023/24 target for the provision of this minimum level of sanitation is significantly lower than the target for 2022/23. Only 900 households will receive this service, which is 60% less than the target for 2022/23.

**Table 3: Targets for the provision of VIP, etc toilets**

	<b>2022/23</b>	<b>2023/24</b>	<b>% change</b>
	<b>Adopted Budget</b>	<b>Draft Budget</b>	
Number of Households	2 257	900	-60%

Source: Final 2022/23 Joburg Water Business Plan, page 66; Draft 2023/24 Joburg Water Business Plan, page 69

Neither the City's draft budget nor Joburg Water's draft Business Plan includes a budget allocation for this. However, the draft 2023/24 IDP shows the same operating budget allocation of R54 million as in 2022/23. As with the provision of a minimum level of water, Joburg Water states that the provision of these additional services can only start in January 2024 once the Human Settlement Department has finalised the UISP Business Plan.

No adjusted budget amount is available for the provision of these sanitation services, so it is not clear if Johannesburg Water will manage to spend all of its original 2022/23 budget, or whether it will reach its target by the end of the 2023/24 financial year.

**Table 4: Budget allocation for VIP, etc toilets**

	<b>2022/23</b>	<b>2023/24</b>	<b>% change</b>
<b>[R'000]</b>	<b>Adopted Budget</b>	<b>Draft Budget</b>	
VIP, Pour flush, ablution blocks	54 340		0%

Source: Final 2022/23 Joburg Water Business Plan, page 110; Draft 2023/24 IDP, page 306

The nominal service level (the level below minimum) is communal chemical toilets. No budget allocation is given for the provision and maintenance of this service.

### 2.3 Refuse removal

According to the draft 2023/24 IDP, 100% of the City’s informal settlements are provided with “integrated waste management services”.<sup>4</sup>

However, evidence collected by Asivikelane suggests that this does not happen in practice. In its draft 2023/24 Business Plan, Pikitup acknowledges that informal settlements remain a challenge as these areas do not have “receptacles” and the population exceeds the number of refuse bags provided. The draft Business Plan further indicates that Pikitup is currently investigating rolling out more “appropriate bins” to informal areas, without explaining exactly what these bins are.<sup>5</sup> Neither the Business Plan nor the City’s budget includes a specific allocation for this.

The City’s capital budget includes an allocation for “waste bulk containers” but does not provide any explanation of what these are and if this project also provides waste containers to informal settlements. While the City increased the allocation for waste bulk containers in the middle of the 2022/23 year from R1 million to R4 million, there is now a large decrease in the 2023/24 draft budget to R500 000.

**Table 5: Budget allocation for waste bulk containers**

	2022/23		2023/24		2024/25	2025/26
[R' 000]	Adopted Budget	Adjusted Budget	Draft Budget	% change	Estimate	Estimate
Waste Bulk Containers	1 000	4 000	500	-88%	5 000	1 000

Source: 2022/22 Adjustment Budget: Items 16 Annexures A and B, page 8, Draft 2023/24 Budget: Annexures A and B, page 9

Pikitup’s Business Plan includes an operating budget allocation for “waste management services” to informal settlements, without explaining whether this includes refuse removal as well as area cleaning. The operating budget allocation for these increases by 6% to R144,785 million in the 2023/24 draft budget. Given the backlog in refuse collection reported by Asivikelane respondents, it is unclear whether such a small increase in the budget will result in any significant improvements in refuse collection in Johannesburg’s informal settlements.

**Table 6: Budget allocation for waste management services to informal settlements**

	2022/23	2023/24	% change
[R'000]	Adopted Budget	Draft Budget	
Waste management services to informal settlements	136 940	144 785	6%

Source: Pikitup Final 2022/23 Business Plan, page 61; Pikitup draft 2023/24 Business Plan, page 74

### 2.4 Budget allocations for informal settlement upgrading projects

<sup>4</sup> Draft 2023/24 IDP, page 274

<sup>5</sup> Pikitup draft 2023/24 Business Plan, page 21

The City of Johannesburg upgrades informal settlements through two capital projects, namely the “Formalisation of Informal Settlements” project and the “Site and Services” project. The budget document doesn’t provide any further information on these projects.

The draft IDP provides targets for the Upgrading of Informal Settlements Programme (UISP) Indicators for outputs to be delivered by the UISP. It is, however, unclear if these outputs are funded by the two capital projects in the budget. There is a massive increase in the construction of interim services through informal settlement upgrading, from 21 in 2022/23 to 663 in 2023/24. The final 2022/23 IDP indicates that this indicator delivers the construction of water, sanitation, roads, and stormwater.<sup>6</sup> It is assumed that the target refers to the number of sites that will receive these services.

However, there is a more than 80% decrease in the number of additional serviced sites to be delivered, from 1 400 to 266 in 2023/24. According to the final 2022/23 IDP, these are in-situ sites delivered by the relevant housing programmes and the specific deliverables are electrification, roads, stormwater, sewers, and water.<sup>7</sup>

**Table 7: UISP Indicators**

	2022/23	2023/24	
[R'000]	Adopted Budget	Draft Budget	% change
Construction of interim services within sites created through informal settlement upgrading	21	663	3057%
Number of serviced sites	1 400	266	-81%

Source: Final 2022/23 IDP, pages 217, 218; Draft 2023/24 IDP, page 305

We now turn to the allocations in the draft capital budget. After a R10 million allocation in 2022/23, no money has been allocated to the Sites and Services project in the draft 2023/24 budget. The Formalisation of Informal Settlements project received more money in the middle of the 2022/23 financial year when the budget was increased from R396 million to R442,8 million. Unfortunately, the draft 2023/24 budget of R365 million is now 18% lower than the adjusted amount.

**Table 8: Budget allocations for informal settlement upgrading**

	2022/23		2023/24		2024/25	2025/26
[R' 000]	Adopted Budget	Adjusted Budget	Draft Budget	% change between adjusted 2022/23 and draft 2023/24 budget	Estimate	Estimate
Formalisation of Informal Settlements	396 375	442 888	365 075	-18%	696 297	730 661
Site and Services: Formalisation of informal settlements across the City	10 000	10 000	0	-100%	50 000	0

Source: 2022/22 Adjustment Budget: Items 16 Annexures A and B, pages 5; Draft 2023/24 Budget: Annexures A and B, pages 5,6

There is no information in the draft budget or IDP about which settlements will benefit from these projects. Also, given the lack of budget information in the IDP and the lack of delivery information in the draft budget,

<sup>6</sup> Final 2022/22 IDP, page 218

<sup>7</sup> Final 2022/23 IDP, page 217

it is impossible to see the relationship between the capital budget allocations shown in Table 8 and the service delivery targets in Table 7.

The Informal Settlements Upgrading Partnership Grant is a dedicated capital grant from National Government that metros have to use for informal settlement upgrading, specifically through the UISP.<sup>8</sup> The City shows in its IDP which projects are funded by this grant (See Table 9).

**Table 9: Allocation of the ISUPG**

	2022/23		2023/24	
	Adopted Budget		Draft Budget	
	[R'000]	%	[R'000]	%
Formalisation of informal settlements	396 375	58%	365 075	51%
Electrification of various Informal Settlements - City Wide	200 000	29%	200 000	28%
Basic Water Service New Basic Water and Sewer Services (standpipes)	88 513	13%	0	0%
Land Acquisition	0	0%	150 000	21%
<b>Total ISUPG</b>	<b>684 888</b>	<b>100%</b>	<b>715 075</b>	<b>100%</b>

Source: Final 2022/23 IDP, pages 188; Draft 2023/24 IDP, page 248

The ISUPG allocation to the city has increased from R685 million in the adopted 2022/23 budget to R715 million in 2023/24. In 2022/23, almost 60% of the grant was allocated to the Formalisation of Informal Settlements project. In 2023/24, the relative share of the grant allocated to this project has decreased to 51%. The Rand amount has also decreased. The amount and share allocated to the electrification of informal settlements have remained that the same. But in 2023/24 no money from the grant has been allocated to the project that provides standpipes to informal settlements. Instead R150 million has been allocated to land acquisitions. Without more detailed information it is difficult to draw meaningful conclusions, but it does suggest that, at least for this funding source, City has chosen to prioritise land acquisition over basic service delivery.

## 2.5 Budget allocations for the provision of electricity

Informal settlement residents often raise the challenges associated with of lack of public lighting and electrification in their informal settlements. Unfortunately, the allocations in the draft 2023/24 budget do not suggest that any significant improvements will take place in the coming financial year.

The budget allocation for the Electrification of Informal Settlements project remains unchanged between 2022/23 and 2023/24. Again, the budget does not specify which settlements will receive electricity.

There is a project for the installation of new public lighting (streetlights), but it is unclear how much of this budget will fund new streetlights in informal settlements. The draft 2023/24 budget for this project at R25 million is slightly lower than in 2022/23. No information is provided about the areas that will benefit from this project.

<sup>8</sup> The ISUPG is supposed to fund the Phase 1 – 3 outputs of the Upgrading of Informal Settlements Programme (UISP). Phase 2 outputs include i.a. the number of settlements provided with bulk infrastructure, the number of settlements benefitting from interim municipal engineering services and /or any other alternative engineering services, and the number of settlements provided with rudimentary services.. Phase 3 outputs include i.a. number of settlements provided with permanent municipal engineering services and /or any other alternative engineering services and number of serviced sites developed. (National Treasury, 2022. Division of Revenue Bill. Available online [http://www.treasury.gov.za/legislation/bills/2022/\[B6%20-%202022\]%20\(DoRB\).pdf](http://www.treasury.gov.za/legislation/bills/2022/[B6%20-%202022]%20(DoRB).pdf) . Page 224



**Table 10: Budget allocation for electricity**

	2022/23		2023/24		2024/25	2025/26
[R' 000]	Adopted Budget	Adjusted Budget	Draft Budget	% change between adjusted 2022/23 and draft 2023/24 budget	Estimate	Estimate
Electrification of various informal settlements - City Wide	200 000	200 000	200 000	0%	200 000	200 000
Installation of new public lighting: street lights	26 000	26 000	25 000	-4%	20 000	25 000

Source: 2022/22 Adjustment Budget: Items 16 Annexures A and B, page 7; Draft 2023/24 Budget: Annexures A and B, page 8

### 3. Maintenance and repairs of informal settlement taps and toilets

As discussed in Section 1, in many settlements residents don't have access to adequate water and sanitation because their broken and leaking taps, toilets and pipes are not being repaired.

The overall maintenance budget has increased by 8,2% between the adjusted 2022/23 budget and the draft 2023/24 budget. And this means that the spending on repairs and maintenance as a share of the city's PPE (the value of its infrastructure) has increased from 6,4% to 6,8% which brings it closer to the National Treasury guideline of 8%. However, the city doesn't provide a separate budget for the repairs and maintenance for taps and toilets in informal settlements and this means we cannot see if any of the increase will benefit informal settlement residents.

The draft budget further provides a breakdown of repairs and maintenance spend by asset class. The budget for water supply infrastructure repairs and maintenance has increased but the budget for sanitation infrastructure has decreased. Again, it is unclear what impact these changes will have on the repairs and maintenance of informal settlement taps and toilets.

**Table 11: Budget allocations for maintenance and repairs**

	2022/23		2023/24		2024/25	2025/26
[R' 000]	Adopted Budget	Adjusted Budget	Draft Budget	% change between adjusted 2022/23 and draft 2023/24 budgets	Estimate	Estimate
Total Repairs and Maintenance	4 194 660	5 315 181	5 748 386	8,2%	5 847 816	5 862 480
<i>Water supply infrastructure</i>	795 047	825 996	875 661	6,0%	888 547	885 276
<i>Sanitation infrastructure</i>	603 506	282 789	280 505	-0,8%	294 224	308 024
R & M as % of PPE	5,0%	6,4%	6,8%		6,7%	6,5%

Source: Draft 2023/24 Budget, page 40

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