

**ITEM B : 2019/20 – 2021/22 DRAFT MEDIUM-TERM
CAPITAL BUDGET FOR THE
CITY OF JOHANNESBURG**

1. STRATEGIC THRUST

Well Governed and Managed City

2. OBJECTIVE

To table before Council the Draft Medium-Term Capital Budget for the 2019/20 to 2021/22 financial years in compliance with Section 16 (2) of the Municipal Finance Management Act 56 of 2003 (MFMA, the Act).

3. SUMMARY

3.1 BUDGET PROCESS OVERVIEW

In terms of the Section 16 (2) of MFMA, the Mayor must table a draft annual budget at a Council meeting 90 days before the start of the budget year.

In terms of Section 87 (1) of the MFMA, Municipal Entities are required to submit their draft budgets to the parent municipality not later than 150 days before the start of the entity's financial year.

The budget process for 2019/20 commenced when with the 1st Mayoral Lekgotla that was held on the 25-26 October 2018. The objectives of the 1st Mayoral Lekgotla were to reach agreement on key focus areas and interventions. Departments and municipal entities (MEs) were requested to prepare budget proposals in line with the recommendations of the 1st Mayoral Lekgotla. These budget proposals were then presented to the Budget Steering Committee held on 11, 14 to 16 January 2019. The objective of the hearings was to assess the budget proposals in terms of the City's priorities.

Operating and capital budget allocations have been issued in line with the Financial Development Plan and departments and entities were requested to direct available resources towards service delivery with a particular focus on Diphetogo initiatives.

The Minister of Finance's budget speech was held on 20 February 2019 and the budget does take in to account the latest national allocations as reflected in the Gazette. The provincial allocation will be available at a later date and the allocation will be included in the final budget that will be submitted to Council during the month of May 2019.

Consultation Process

The draft capital budget is tabled for information and consultation, rather than approval and will be refined to take into account the outcome of the public participation process.

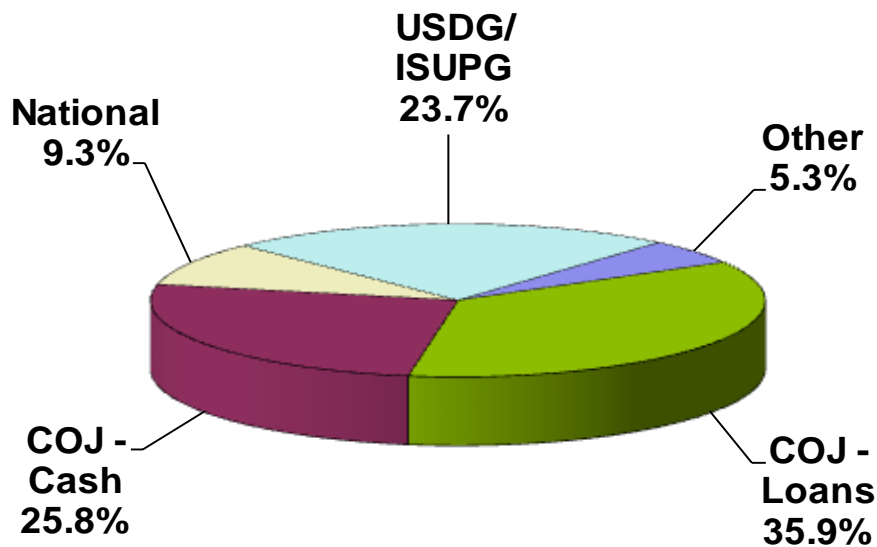
3.2 MEDIUM TERM CAPITAL BUDGET

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The level of capital expenditure and borrowing are based on the principles of affordability, prudential indicators and sustainability (debt ratio, current ratio, operating surplus and the impact or return of the capital investment on the operating account).

The capital budget of the City projects a spending plan of approximately R25.5 billion over the next three-year period. The capital budget for the 2019/20 financial year amounts to approximately R8.3 billion. Approximately R5.1 billion of the capital budget will be funded by the City and R3.2 billion from grants and public contributions.

Funding Sources for 2019/20



- R3 billion of capital will be funded from loans.
- R2.1 billion of capital will be funded through cash surpluses.
- R0.7 billion will be funded from grants received from National (PTIS – R636.7 million, NDPG – R65 million and Integrated City Development Grant – R75.8 million).
- R2 billion will be funded through the Urban Settlement Development Grant (USDG).
- R442.5 million will be funded from other sources (public and bulk service contributions).

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The table below reflects the Medium-Term Capital Budget over the next three years.

Funding source	Adj Bud 2018/19 R 000	Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000
Loan funding	2 849 726	2 988 369	2 750 000	2 700 000
CRR and surplus cash	2 136 422	2 144 904	2 500 000	3 000 000
Grants and contributions	3 078 749	3 187 968	3 004 811	3 195 626
Total	8 064 898	8 321 241	8 254 811	8 895 626

Annexure A attached reflects the Medium-Term Capital Budget per vote.
Annexure B attached reflects the detail capital projects for the 2019/20 to 2021/22 financial years.

The 2019/20 Capital Budget is as follows:

SUSTAINABLE CLUSTER

Sustainable Cluster Capital	Adjusted Budget 2018/19 R 000	Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000
Environment And Infrastructure	39 440	39 970	233 601	385 500
Housing	1 166 998	1 125 701	940 501	683 200
City Power	1 141 409	1 001 163	1 199 894	1 190 213
Johannesburg Water	928 640	1 100 181	968 910	1 180 000
Pikitup	86 217	117 517	153 606	145 750
Johannesburg Social Housing Company	321 000	395 700	288 000	222 000
Total Capital	3 683 705	3 780 232	3 784 512	3 806 663

The three-year medium-term capital budget of the Sustainable Cluster amounts to approximately R11.4 billion. Below follows a highlight of capital budget/project per department and municipal entity within the Sustainable Cluster for the 2019/20 financial year.

- Environment and Infrastructure is allocated an amount of R40 million. Allocations to the various projects include:
 - Exploration of ground water by drilling boreholes R2 million;
 - Operational Capital R970 thousand;
 - Purchase of Ambient Air Quality Analysers for the Air Quality Monitoring Network R4 million;
 - Rehabilitation of the Braamfonteinspruit West Water Management Unit (J-BWWMU) R11 million;
 - Rehabilitation of the Klip-Upper Soweto Water Management Unit (K-USWMU) R2 million; and
 - Waste Treatment Technologies (City Wide) R20 million.
- The Housing department's allocation for the 2019/20 financial year amounts to R1.1 billion. The allocation will be channelled towards the following projects:

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- Braamfischerville Ext 12and13:Roads and Stormwater Management Systems including a Pedestrian Bridge New Bulk Infrastructure Bram Fischerville Ext.13 C Ward R15.5 million;
- Bramfischerville Ext 7 and 8 New Bulk Infrastructure R30 million;
- Cosmo City Phase 2 (Malibongwe Ridge) New Bulk Infrastructure Cosmo City C Regional R50 million;
- Diepkloof Hostel Renewal Bulk Infrastructure Diepkloof Ext.10 D Ward R15 million;
- Diepsloot Redevelopment Northern Farms New Bulk Infrastructure Diepsloot A.H. A Regional R30 million;
- Drieziek Ext.3 (2989) New Bulk Infrastructure Drieziek Ext.3 G Ward R35 million;
- Drieziek Ext.5 (1540) New Bulk Infrastructure Drieziek Ext.5 G Ward R40 million;
- Elias Motsoaledi New Bulk Infrastructure Diepkloof Ext.10 D Ward R4.13 million;
- Ennerdale South (1902 stands) (Formerly Finetown Proper) New Bulk Infrastructure Ennerdale G Ward R30 million;
- Finetown Proper (1878 stands) New Bulk Infrastructure Finetown G Ward R30 million;
- Helen Josephs Refurbishment and Upgrading of Women's Hostel Renewal Building Alterations Alexandra Ext.52 E Ward R20 million;
- Inner City Upgrading (Transitional/Emergency and Rental Stock) Renewal Rental Flats Johannesburg F Regional R50 million;
- Kanana Park Ext 1 (788) New Bulk Infrastructure Kanana Park Ext 1 G Ward R30 million;
- Kanana Park Ext 2 R40 million;
- Kanana Park Ext 3,4 and 5 New Bulk Infrastructure Kanana Park Ext.3 G Ward R40 million;
- Klipspruit/Kliptown New Bulk Infrastructure (Housing project around the Walter Sisulu Square) Klipspruit D Ward R40 million;
- Kya Sands / Lion Park New Bulk Infrastructure Kya Sand Ext.20 A Ward R10 million;
- Lakeside Ext 3,4 and 5: Roads and Bulk Stormwater Systems New Bulk Infrastructure R35 million;
- Land Acquisition for Housing New Bulk Infrastructure Johannesburg F City Wide R50 million;
- Lehae Ext 1: Development of Bulk Link and Internal Infrastructure R40 million;
- Lufhereng Mixed Development (Bulk, Link and Internal Infrastructure Roads, Storm Water Management Systems, Sewer and Water for 24 000 houses) R90 million;
- Madala Hostel Redevelopment R10 million;
- Mathoeshville New Bulk Infrastructure Mathoeshville C Ward R20 million;
- Meadowlands Hostel Renewal Building Alterations Meadowlands D Ward R10 million;
- Operational capital (HS) New Operational Capex Braamfontein Werf F City Wide R2 million;
- Poortjie Dark City (3000) New Bulk Infrastructure Poortjie G Ward R30 million;

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- Princess Plot New Bulk Infrastructure Princess C Regional R35 million;
 - Site and Services - Formalisation of informal settlements across the City. Renewal Bulk Infrastructure Johannesburg F City Wide R130 million;

 - South Hills Housing Mixed Development New RDP Houses South Hills F Ward R50 million;
 - Stock, Flats and Old-Age Home Upgrading R50 million;
 - Tshepisoong Proper - Bulk Stormwater New Bulk Infrastructure Tshepisoong C Ward R24.1 million;
 - Unaville (Vlakfontein Ext 4) 2402 units New Bulk Infrastructure Vlakfontein G Ward R10 million; and
 - Vlakfontein Ext 3 (2045) New Bulk Infrastructure Vlakfontein Ext.3 G Ward R30 million.
- City Power is allocated an amount of R1 billion. Allocations to the various projects include:
 - All fencing and security lighting for various substations. Renewal Building Alterations City Wide R11 million;
 - Acquire servitudes and substation sites New Transmission Line in Reuven R3.4 million;
 - Cleveland Substation, Reconfigure busbar, replace high risk transformer, add additional 45 MVA transformers and feeder board. Renewal Bulk Infrastructure at Heriotdale Ext.10 R36.5 million;
 - Electrification of Mega Projects R50 million;
 - Electrification of various Informal Settlements - City Wide R160.2 million;
 - Emergency work on the transmission network in Reuven R40 million;
 - Emergency Work Renewal Medium Voltage Network in North Riding Ext.30 R36.5 million;
 - Emergency work Renewal Medium Voltage Network in Reuven R39.8 million;
 - Install new IED's in substations Renewal Protection City Wide R21.9 million;
 - Install statistical meters on all distributors City Wide R7.3 million;
 - Installation of new public lighting: Group luminaire replacement R30 million;
 - Installation of new public lighting: Street lights (City Wide) R50 million;
 - Installation of new service connections in Alexandra Ext.63 R1.1 million;
 - Installation of new service connections in Halfway House Ext.74 R8.9 million;
 - Lutz: Establish new 88/11 kV cabling. New Bulk Infrastructure in Honeydew Manor Ext.11 R40 million;
 - Mobile sub-station R30 million;
 - New service connections in Hurst Hill R6.6 million;
 - New service connections in Berea R10.2 million;
 - New service connections in Ferndale Ext.25 R8.8 million;
 - New service connections in Roodepoort Ext.2 R9.5 million;
 - New service connections in Reuven R11 million;
 - Operating Capital in Reuven R15 million;
 - Prepare Mini subs-stations and load centres for 11 kV conversional Renewal Township Reticulation in Jeppeshtown R18.6 million;
 - Refurbishment of MV infrastructure, switchgear and transformers. Renewal Medium Voltage Network in Reuven R6.3 million;

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- Replace batteries in sub stations Renewal Bulk Infrastructure City Wide R7.3 million;
 - Replace obsolete energy meters with prepaid units City Wide R20 million;
 - Replace open LV conductors with ABC Renewal Low Voltage City Wide R25 million;
 - Replacement of aged and/or faulting MV cables Renewal Medium Voltage Network in North Riding Ext.30 R21.9 million;
 - Replacement of aged and/or faulting MV cables. Renewal Medium Voltage Network in Reuven R25 million;
 - Revenue Generation Efficiency Project. Pre-paid system installation of semi-automated pre-paid and automated pre-paid (smart meters) City Wide R40 million;
 - Roosevelt Park: Replace 2 X 45 MVA transformers and replace 11kV switchgear. New Bulk Infrastructure in Linden R13.5 million;
 - Sebenza Substation. Build a new 88kV GIS (30circuits) yard. New Bulk Infrastructure R50 million;
 - Telecommunications, Fibre optic installations and upgrades Renewal SCADA in Reuven R21.9 million;
 - Transformer capital program to eliminate high risk transformers Renewal Bulk Infrastructure City Wide R25 million;
 - Upgrade Eldorado Substation Renewal Bulk Infrastructure R20 million;
 - Upgrade John Ware substation Renewal Bulk Infrastructure in Fordburg R50 million;
 - Upgrade MV Network in CBD. Renewal Medium Voltage Network R14.6 million; and
 - Upgrading of 88 kV overhead lines Renewal Bulk Infrastructure City Wide R14.6 million.
- Johannesburg Water is allocated an amount of R1.1 billion. Allocations to the various projects include:

Water is allocated R709.3 million and projects include:

- Basic Water Service: New Basic Water and Sewer Services R50 million;
- BK: Infrastructure Renewal Plan R2.5 million;
- Johannesburg Central: Planned Replacement Watermains R35 million;
- Louis Botha Corridor (JW: Water) Renewal Corridors of Freedom Intervention R5 million;
- Midrand: Blue Hills Tower 1.8ML R5 million;
- Midrand: Carlsward Water Infrastructure Upgrade R10 million;
- Midrand: Erand Tower 2 1.5ML R24.3 million;
- Midrand: Halfway House Reservoir 20ML R12 million;
- Midrand: Planned Replacement: Watermains Renewal R25 million;
- Operational Capital: Operations and Maintenance R85 million;
- Operational Capital: Planning and engineering studies R12 million;
- Operational Capital: Provision for Emergency Work R10 million;
- OV: Infrastructure Renewal Plan R30 million;
- Perth Empire Corridor (JW: Water) Renewal Corridors of Freedom Intervention R5 million;
- Roodepoort/Diepsloot: Planned Replacement Watermains R35 million;
- Roodepoort/Diepsloot: Robertville Tower 2.25ML R20 million;

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- Sandton/Alexandra: Founder Hill Water Upgrade R10 million;
- Sandton/Alexandra: Woodmead Reservoir 22ML R24 million;
- Sandton/Alexandra: Linbro Park Water Upgrade R33.5 million;
- Sandton/Alexandra: Planned replacement watermains R40 million;
- Sandton/Alexandra: RW Weltevreden water upgrade R5 million;
- Southdale/Laaglaagte: Crown Gardens Tower 1.1ML R38 million;
- Southdale/Langlaagte: Aeroton Direct Tower 1.4ML R13 million;
- Southdale/Langlaagte: Lawley High Level Reservoir 10ML R45 million;
- Soweto: Planned Replacement Watermains in Mapetla R50 million; and
- Water Demand Management: New Operate and Maintenance Assets R85 million.

Sewer is allocated R390.9 million and projects include:

- Bushkoppie: New PSTs number 2 R2 million;
 - Bushkoppies Works: BK Balancing Tank R10 million;
 - Bushkoppies Works: Upgrade main Blowers and Pipework R2.5 million;
 - Driefontein Works: Infrastructure Renewal Plan R500 thousand;
 - Driefontein Works: Refurbish WAS and RAS p/s R500 thousand;
 - Ennerdale Works: Dam cleaning and lining R1 million;
 - Ennerdale Works: Replace module mixers and motors R2 million;
 - Goudkoppies Works: Infrastructure Renewal Plan R30.5 million;
 - Johannesburg Central: Planned Replacement Sewermains R90 million;
 - LA: Module 1 R500 thousand;
 - Midrand: Planned replacement sewer mains R5 million;
 - Northern Works: Belt Presses New #4 R10 million;
 - Northern Works: Desludge and line Dam 02 R35 million;
 - Northern Works: Infrastructure renewal R2.5 million;
 - Northern Works: Unit 4 liquor treatment R40 million;
 - Northern Works: Unit 4: Replacement of Electromechanical R2.5 million;
 - Northern works: Unit 5 mod 2 R26.5 million;
 - Olifantsvlei Works: Belt Presses # 1 R2.5 million;
 - Olifantsvlei Works: Digester Heating and Mixing R8.5 million;
 - Orange Farm/ Deep south: Planned Replacement Sewermains R22.9 million;
 - Roodepoort/ Diepsloot: Diepsloot Sewer Pipelines and Bridge R24 million;
 - Roodepoort/ Diepsloot: Planned Replacement Sewermains R5 million;
 - Sandton/ Alexandra: Planned Replacement Sewer mains R10 million;
 - Soweto: Anthea Nancefield Sewer (Klipspruit River) Phase 1 R50 million;
 - Soweto: Planned Replacement Sewermains R5 million;
 - WWTW Upgrade and refurbish R1 million; and
 - WWTW: Northern Farm - Dam Repair R1 million.
- Pikitup is allocated an amount of R117.5 million. Allocations to the various projects include:
 - Landfill - Robinson Deep New waste collection R7.2 million;
 - Buyback and Sorting Facilities including drop-off Centres R45.3 million;
 - Facilities Renewal, Upgrades including Branding and Signage R40 million;
 - Separation at Source Facilities and Equipment R20 million; and
 - Waste Bulk Containers R5 million.

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- The Johannesburg Social Housing Company is allocated R395.7 million in the 2019/20 financial year to implement the following projects:
 - 106 Claim Street Inner City Building Conversion Region F R10 million;
 - 38 Rissik Street (NBS) Inner City Building Conversion R20 million;
 - 50 Durban Street Inner City Building Conversion Region F R20 million;
 - 80 Plein Street Inner City Building Conversion Region F R30 million;
 - Abel Road Inner City Building Conversion Region F R20 million;

 - Casamia Inner City Building Upgrade Region F R20 million;
 - Chelsea Inner City Building Upgrade Region F R10 million;
 - City Deep Social Housing Upgrade Region F R3 million;
 - Devland Golden Highway Social Housing Project Region D R40 million;
 - Inner City Buildings Acquisitions R31.2 million;
 - Kliptown Walter Sisulu Square Social Housing Upgrades Region D R2 million;
 - Lufhereng Social Housing Project Region D R19 million;
 - Nancefield Social Housing Project Region D R42.5 million;
 - Pennyville New Canada Social Housing Project Region B R20 million;
 - Princess Plots Social Housing Project Region C R50 million;
 - Randburg Selkirk Social Housing Project Region B R23 million;
 - Selby Staff Hostel Redevelopment Region F R15 million; and
 - Smit Street Inner City Building Conversion Region F R20 million.

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HUMAN AND SOCIAL DEVELOPMENT CLUSTER

Human and Social Development Cluster Capital	Adjusted Budget 2018/19 R 000	Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000
Community Development	90 640	78 683	117 547	156 000
Health	103 998	72 085	75 500	143 756
Social Development	40 050	5 000	16 000	16 000
Public Safety	182 143	126 800	42 980	6 900
Johannesburg City Parks And Zoo	54 279	63 250	61 000	52 500
Joburg City Theatres	25 294	34 751	40 648	6 019
Total Capital	496 404	380 569	353 675	381 175

The three-year medium-term capital budget of the Human and Social Development Cluster amounts to approximately R1.1 billion. Below follows a highlight of capital budget/project per department and municipal entity within the Human and Social Development Cluster for the 2019/20 financial year.

- Community Development is allocated R78.7 million. Allocations to the various projects include:
 - Operational Capital R4 million;
 - Security measures in facilities new plant and equipment R1.7 million;
 - Joburg Art Gallery Upgrade R4 million;
 - Upgrading of Museum Africa and Precinct R1 million;
 - Upgrading of the June 16 Acre memorial renewal heritage area upgrade R1 million;
 - Lehae MPC new construction R10 million;
 - Johannesburg Library (Centre of Excellence) R3 million;
 - RFID tagging for books new library R4 million;
 - Aqua - Construction of a new Cosmo City swimming pool R10 million;
 - Construction of a new multipurpose centre in Matholesville R7 million;
 - Minor works at various Sport and Recreational facilities: Citywide R10 million;
 - Construction of the new multipurpose centre (Library included) at Kaalfontein R9 million;
 - Construction of Drieziek multipurpose centre R7 million; and
 - Upgrading of Meadowlands Stadium Renewal Community Centre R7 million.
- Health Department is allocated an amount of R72.1 million. Allocations to the various projects include:
 - Airconditioners: Supply, install and renew of air conditioners in Health Facilities across the City R300 thousand;
 - Bophelong Clinic R30 million;
 - E-Health R20 million;
 - Electricity Upgrade, Solar Generators and Back-up Electricity for Health Facilities across the City R4.6 million;
 - Minor Works at various clinics across the City R4.2 million;
 - New Naledi Clinic R7 million;

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- Operational Capital R3 million;
 - Princess Renewal Clinic R1.5 million; and
 - Zandspruit New Clinic R1.5 million.
- Social Development is allocated an amount of R5 million. Allocations to the various projects include:
 - Minor Upgrades of all Social Development Facilities R3 million; and
 - Operational Capital R2 million.
 - **Public Safety** is allocated R126.8 million in the 2019/20 financial year to implement the following projects:

Public Safety: Head Office is allocated R76 million in the financial year to implement the following projects:

- Business Desk at Kine Centre for Corporate Clients - City Wide R20 million;
- IIOC R50 million; and
- Licensing Satellite Offices R6 million.

Emergency Management Services Department is allocated R5 million in the financial year to implement the following projects:

- Furniture and office equipment, work stations New Furniture Martindale B City Wide R5 million.

Johannesburg Metropolitan Police Department is allocated R45.8 million in the 2019/20 financial year to implement the following projects:

- Additional Vehicle Pound Wemmer - Village Main R30 million;
- Air conditioners at various JMPD Buildings City Wide R6 million;
- Archiving Room at Admin Block Rosettenville R2.5 million;
- Horse Stables and Paddock for the additional JMPD Horses. New Building Alterations Springfield Ext.4 F R3.3 million; and
- Horses Obstacle Equip Newsance Rosettenville R4 million.

- City Parks and Zoo is allocated an amount of R63.3 million. Allocations to the various projects include:
 - Bird Sanctuary Renewal Park City wide R500 thousand;
 - City Parks House New Computer Hardware and IT Equipment R16 million;
 - City Parks House New Furniture R2 million;
 - Inner City Parks Intervention Development and Upgrading R5 million;
 - Botanical Gardens Infrastructure Upgrade in Emmarentia R7 million;
 - Louis Botha (City Parks) Renewal Corridors Intervention R2 million;
 - Mapetla Park - New ablution facilities R1 million;
 - Olifantsvlei Cemetery Renewal R4.4 million;
 - Pimville Koppies Conservation Ecom Tourism Renewal Park R1 million;
 - New Plant and Equipment R6 million;
 - Rabie Ridge Park R2.2 million;

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- Upgrade of existing parks to Occupational health and safety standards City Wide R3 million;
 - Upgrading and Development of Riverlea Renewal Park R2 million;
 - Zoo - Animal Purchases New Operational Capex R6.2 million; and
 - Zoo Infrastructure Renewal Building Alterations R5 million.
- Joburg City Theatre is allocated R34.8 million. Allocations to the various projects include:
 - Promusica Theatre - Information Technology new computer hardware and software R8 thousand;
 - Promusica Theatre - Upgrading of technical equipment (sound and lighting) renewal R82 thousand;
 - Joburg Theatre - Building renovations and upgrades new building alterations R850 thousand;
 - Joburg Theatre - Technical equipment new capex R850 thousand;
 - Joburg Theatre - Upgrade of stage machinery renewal plant and equipment R30 million;
 - Promusica Theatre - Building renovations and upgrades renewal building alterations R700 thousand;
 - Soweto Theatre - Building Renovations and upgrades R1.1 million; and
 - Soweto Theatre - Upgrading of technical equipment R1.2 million.

ECONOMIC GROWTH CLUSTER

Economic Growth Cluster	Adjusted Budget	Budget	Budget	Budget
Capital	2018/19	2019/20	2020/21	2021/22
	R 000	R 000	R 000	R 000
Economic Development	5 660	10 670	5 680	12 500
Transport	831 055	1 253 100	1 052 900	1 125 019
Development Planning	204 433	348 134	489 896	241 519
Joburg Market	39 676	15	1 015	4 410
Johannesburg Property Company	126 900	110 080	31 100	50 000
Johannesburg Development Agency	202 500	165 300	225 300	322 500
Johannesburg Roads Agency	1 301 847	1 390 360	1 565 467	2 516 500
Metrobus	47 250	93 490	126 950	91 500
Total Capital	2 759 321	3 371 149	3 498 308	4 363 948

The three-year medium-term capital budget of the Economic Growth Cluster amounts to approximately R11.2 billion. Below follows a highlight of capital budget/project per department and municipal entity within the Economic Growth Cluster for the 2019/20 financial year.

- The Economic Development Department is allocated R10.7 million in the 2019/20 financial year to implement the following projects:
 - Inner City Roadmap Economic Development Initiatives Renewal Inner City Intervention Johannesburg F Regional R5 million;
 - Operational Capital (DED) Renewal Operational Capex Johannesburg F City Wide R670 thousand; and
 - Opportunity Seekers Database R5 million;

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- The Transport department is allocated R1.3 billion in the 2019/20 financial year to implement the following projects:
 - PTF: Redevelopment of Inner City Ranks R5 million;
 - COMPL: Sidewalk Improvements: Dube NMT Links: Dube D City Wide R10.1 million;
 - COMPL: Sidewalk Improvements: Tsiawelo Metrorail Station Link: Mhlaba / C Hani New Nodal Transport Facilities Chiawelo D City Wide R10 million;
 - Complete Streets: (KFW - German Development Bank): Orlando East to UJ Soweto Route R5 million;
 - Large: Public Transport Facility Redevelopment of Karzene, Newtown Ext.1 Region F R80 million;
 - NR: Nodal Regeneration: Braamfontein Precinct R3 million;
 - NR: Nodal Regeneration: Parking Solutions for small nodes Johannesburg City Wide R1 million;
 - Operational Capital R2 million;
 - Park and Ride Facility: Design and Construction of a Park n Ride in Greenside Region E R7 million;
 - PTF Small Public Transport Facility Design and Construction of Zola Public Transport Facility New Nodal Transport Facilities Zola D Regional R15 million;
 - PTF: Small Public Transport Facilities: Orange Farm Ext 7 (Region G) R30 million;
 - PTF: Small Public Transport Facilities: Tshepisong R24 million;
 - PTF: Small Public Transport Facility Design and Construction of Kya Sand Superstop New Nodal Transport Facilities Kya Sand R3 million;
 - PTF: Upgrading of Sunninghill Public Transport Facilities R2 million;
 - Public Transport Support Infrastructure: New Laybys and Street Furniture Johannesburg City Wide R2.26 million;
 - Purchase of buses (Rea Vaya:2018/19-19/20; and Metrobus: 2020/21) R400 million;
 - Rea Vaya New Bus Rapid Transit Johannesburg F City Wide R636.7 million;
 - Small: Public Transport Facility in Zakariya Park Region G R15 million; and
 - Upgrading of Midrand Public Transport Facility R2 million.
- Development Planning is allocated R348.1 million. Allocations to the various projects include:
 - Brixton social cluster R60.3 million;
 - Corridor branding public art and place-making programme R6 million;
 - Land packaging in the corridors R17 million;
 - New Turffontein clinic and multi-purpose center R1.5 million;
 - Paterson park-storm water and new social facilities, park and road upgrading R75.8 million;
 - Paterson Park-depot relocation project R2.5 million;
 - Jabulani Precinct upgrades R65 million;
 - Ghandi square East R25 million;

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- Inner City partnership fund R28 million;
 - Mayfair Public environment upgrade 38 million;
 - Park Station to civic centre public environment upgrade R7 million;
 - Detailed road master plan for mining belt West development corridor R12 million;
 - Fleurhof urban development framework interventions R2 million;
 - Mathoeshville and Braamfischerville urban development framework Interventions R 1.2 million;
 - JSIP Maintenance R5 million;
 - Mining belt east corridor new capex Interventions R1.2 million; and
 - Operational Capital R700 thousand.
- The Joburg Market is allocated R15 thousand in the 2019/20 financial year to implement the following projects:
 - IT servers and UPS Renewal Computer Hardware R15 thousand.
 - The Johannesburg Property Company is allocated R110.1 million in the 2019/20 financial year to implement the following projects:
 - Computer Equipment - New Computer Upgrades R1 million;
 - Erf 43-46 Victoria Ext 3(Paterson Park Node) Victoria Ext.3 E Regional R11 million;
 - FMMU - Public Conveniences New Public toilets Johannesburg R5 million;
 - Metromall Taxi Rank Shop Revitalisation and Waste Management Area Redesign R25 million;
 - Office Space Optimisation Program New Precinct Redevelopment Johannesburg F City Wide R25 million;
 - Revamping of the Informal Trading Stalls within the Inner City Renewal Operational Capex Johannesburg F Ward R10 million;
 - Sandown Extension 49 Erf 575RE Renewal Building Alterations Sandown EXT.49 E R30 million;
 - Upgrading of the Hillbrow Public Transport Facility and taxi rank upgrade Johannesburg F Ward R1.08 million; and
 - Watt Street Inter-change New Housing Development Wynberg E Regional R2 million.
 - Johannesburg Development Agency is allocated R165.3 million. Allocations to the various projects include:
 - Alexandra Sports and Youth Development SAFA safe hub facility R8 million;
 - Banakekelen Hospice new Clinic R20 million;
 - Louis Botha Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and new construction and upgrading renewal Corridors of Freedom Intervention R25 million;
 - Perth Empire Transit Oriented Development (TOD) corridor Traffic Impact Assessment (TIA), Stormwater Masterplan and New Constriction and Upgrading Renewal Corridors of Freedom Intervention R25 million;
 - Diepsloot development renewal precinct R15 million;
 - Inner City Eastern Gateway TOD and Movement Corridors R500 thousand;

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- Ivory Park UDF development catalytic node infrastructure projects R13.8 million;
 - Melville activity street neighbourhood development upgrade R1.5 million;
 - Operational Capex R1 million;
 - Orchards Clinic R10 million;
 - Orlando East station precinct new precinct R1 million;
 - Pennyville precinct renewal precinct redevelopment R1.5 million;
 - Randburg CBD regeneration renewal precinct redevelopment R1.5 million;
 - Regeneration of Lenasia CBD and Anchorville Industrial Hub R20 million;
 - Revitalisation of Pageview and Vrededorp R1.5 million; and
 - Roodeport CBD regeneration renewal precinct redevelopment R20 million.
- The Johannesburg Roads Agency is allocated R1.4 billion in the 2019/20 financial year to implement the following projects:
 - BRID 10 - Bridge Expansion Joints. Renewal Bridges (Pedestrian and Vehicles) Johannesburg F City Wide R15 million;
 - BRID 11 - Bridge Rehabilitation. Renewal Bridges (Pedestrian and Vehicles) Johannesburg F City Wide (Diphetogo) R100 million;
 - BRID 11 - Bridges: Visual Condition Assessment and Detailed Bridge Design for Bridge Rehabilitation Projects (Bridge Management System). New Bridges (Pedestrian and Vehicles) Johannesburg F City Wide (Diphetogo) R5 million;
 - BRID 20 - Bridges: Replacement of bridges (Pedestrian and Vehicles) Johannesburg F City Wide (Diphetogo) R50 million;
 - BRID 20 - Conrad Bridge; Blairgowrie. Renewal Bridges (Pedestrian and Vehicles) Craighall B Ward R6 million;
 - CATCH - Implementation of CBP Stormwater Masterplanning: Soweto. New Stormwater Management Projects Orlando West D Regional R30 million;
 - CATCH 200 - Braamfontein Spruit Catchment: Erosion Protection - Sub 07, Morningside Manor to George Lea Park. New Stormwater Catchments Morningside Ext.77 E Ward R10 million;
 - CATCH 210 - Klein Jukskei Catchment: (CBP) Stormwater Control: Willows Development - Windsor New Stormwater Catchments Jukskei Park B Ward R1 million;
 - CATCH 210 - Klein Jukskei Catchment: Bond Stream Relief System, Ferndale. New Stormwater Catchments Ferndale B Ward R15 million;
 - CATCH 212 - Bez Valley Catchment: Recon Sub 6; Rehab Main, Sub 1and4. Renewal Stormwater Catchments Bezuidenhout Valley F Ward R3 million;
 - CATCH 240 - Jukskei Catchment - Vorna Valley Stream New Stormwater Catchments Vorna Valley Ext.13 A Ward R6 million;
 - CONV - Conversion of Open Drains to Underground/Covered Drains in Bram Fischerville. Renewal Stormwater Management Projects Bram Fischerville C Ward R10 million;
 - CONV - Conversion of Open Drains to Underground/Covered Drains in Ivory Park and surrounding areas. Renewal Stormwater Management Projects Ivory Park Ext.7 A Ward R25 million;

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- CONV - Conversion of Open Drains to Underground/Covered Drains in Orange Farm and Surrounding Areas. Renewal Stormwater Management Projects Orange Farm G Ward R30 million;
- Implementation of complete street standards citywide (sidewalks and stormwater upgrades) R45 million;
- IT - IT Security. New Computer Software Johannesburg F City Wide R1 million;
- MISCL - Dam Safety Rehabilitation Renewal Stormwater Management Projects Johannesburg F City Wide R6 million;
- MISCL - Emergency Stormwater Interventions. Renewal Stormwater Management Projects Johannesburg F City Wide R5 million;
- MISCL - Emergency, Critical and Urgent Depot Stormwater Improvements. New Stormwater Management Projects Johannesburg F City Wide R50 million;
- MISCL - Integrated Roads and Stormwater Masterplanning. New Stormwater Management Projects Johannesburg F City Wide R9 million;

- MISCL - Investigate and Design Future Schemes. New Operational Capex Johannesburg F City Wide R6 million;
- MISCL - Tarring of Gravel Roads: Bram Fischerville. New Roads: Construction and Upgrades Bram Fischerville D Ward R35 million;
- MISCL - Tarring of Gravel Roads: City Wide R15 million;
- MISCL - Tarring of Gravel Roads: Diepsloot. New Roads: Construction and Upgrades Diepsloot West Ext.3 A Ward R35 million;
- MISCL - Tarring of Gravel Roads: Doornkop/Thulani. New Roads: Construction and Upgrades Doornkop D Ward R35 million;
- MISCL - Tarring of Gravel Roads: Drieziek. New Roads: Construction and Upgrades Drieziek G Ward R30 million;
- MISCL - Tarring of Gravel Roads: Ivory Park and Surrounding Areas. New Gravel Road Ivory Park Ext.9 A Ward R35 million;
- MISCL - Tarring of Gravel Roads: Kaalfontein. New Roads: Construction and Upgrades Kaalfontein Ext.2 A Ward R30 million;
- MISCL - Tarring of Gravel Roads: Lawley. New Roads: Construction and Upgrades Lawley Ext.1 G Ward R14.9 million;
- MISCL - Tarring of Gravel Roads: Mayibuye. New Roads: Construction and Upgrades Commercia A Ward R35 million;
- MISCL - Tarring of Gravel Roads: Orange Farm and Surrounding Areas. New Roads: Construction and Upgrades Orange Farm G Ward R35 million;

- MISCL - Tarring of Gravel Roads: Poortjie. New Roads: Construction and Upgrades POORTJIE G Ward R30 million;
- MISCL - Tarring of Gravel Roads: Slovoville New Roads: Construction and Upgrades SLOVOVILLE D Ward R30 million;
- MISCL - Tarring of Gravel Roads: Tshepisonq. New Roads: Construction and Upgrades TSHEPISONG C Ward R30 million;
- MOB - Alternative Energy: Alternative Power Sources (LED). New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide R1 million;
- MOB - Alternative Energy: Alternative Power Sources (UPS). New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide (Diphetogo) R6.46 million;

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- MOB - CCTV Cameras. New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide (Dipheto) R2 million;
- MOB - Geometric Improvements. Renewal Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide R10 million;
- MOB - Guardrails. Renewal Roads: Construction and Upgrades Johannesburg F Regional R5 million;
- MOB - Installation of New Warranted Traffic Signals in All Wards City Wide. New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide (Dipheto) R6 million;
- MOB - Intelligent Transport Systems (ITS) Projects. New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide (Dipheto) R5 million;
- MOB - Recabling of Old Redundant Cables at Signalized Traffic Intersections. Renewal Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide (Dipheto) R40 million;
- MOB - Remote Monitoring: Urban Traffic Control (UTC). New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide R5 million;
- MOB - SARTSM: Upgrade of Existing Signalised Intersections. Renewal Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide R6 million;
- MOB - Traffic Management Centre. Renewal Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide (Dipheto) R9.5 million;
- MOB - Traffic Signal Adaptive Control (TSAC). New Mobility: Intelligent Transportation System and Networks Johannesburg F City Wide R6 million;

- MOB - Upgrading Controllers and Phasing. Renewal Mobility: Intelligent Transportation System and Networks Johannesburg F Regional R10.5 million;
- Operational Capital: CS - Depot Upgrading and Standardization. Renewal Operational Capex Johannesburg F City Wide R5 million;
- Operational Capital: CS - Operational Capex. Renewal Operational Capex Johannesburg F City Wide R10 million;
- Operational Capital: CS - Upgrade of Head Office Facilities. Renewal Building Alterations Johannesburg F City Wide R5 million;
- RAMS - GIS Improvement : Continuous Data and Record of Construction Drawings Capturing and Mapping of Assets like Roads, Stormwater, Bridge, Traffic Signals Assets on JRA GIS Johannesburg F City Wide R15 million;
- RAMS - Stormwater Asset Monitoring System. Existing Stormwater network Condition Assessment and design for existing stormwater infrastructure rehabilitation projects Johannesburg F City Wide R5 million;
- REHAB - Rehabilitation of Open Channels City Wide. Renewal Stormwater Management Projects Johannesburg F City Wide R15 million;
- REHAB - Road Rehabilitation and Reconstruction Programme. Renewal Roads: Construction and Upgrades Johannesburg F City Wide (Dipheto) R120 million;
- RESUR - Resurfacing of M1 Motorway. Renewal Roads: Rehabilitation Melrose E City Wide R50 million;

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- RESUR - Resurfacing of M2 Motorway. Renewal Roads: Rehabilitation Johannesburg F City Wide R50 million;
 - RESUR - Resurfacing of Roads Renewal Roads: Rehabilitation Johannesburg F City Wide (Dipheto) R120 million;
 - RESUR - Resurfacing of Soweto Highway. Renewal Roads: Rehabilitation Orlando D City Wide R10 million;
 - RNP005_Spencer Road New Link New Roads: Construction and Upgrades Fleurhof C Regional R6 million;
 - RNP013_Jan Smuts Dualling Renewal Roads: Construction and Upgrades Parkwood B Regional R12 million;
 - RNP040_Construction of road and bridge on Crownwood road Crown Ext.2 B Regional R2 million;
 - RNP085_Bulk stormwater development/Transport hub Sandown E Ward R10 million;
 - Tarring of Zandspruit Access Road R15 million; and
 - Traffic calming measures City Wide R10 million.
- Metrobus is allocated R93.5 million in the 2019/20 financial year to implement the following projects:
 - Building - Building Alterations/Upgrade R5 million;
 - Bus Refurbishment R25 million;
 - Cashless Ticketing System, Bus CCTV, on board machine R50 million;
 - Engine and Gear box refurbishment R7.4 million;
 - Furniture and Office Equipment R640 thousand;
 - IT Equipment, New Computers and Hardware Computer Hardware R4.3 million; and
 - Plant and Machinery R1.2 million.

GOOD GOVERNANCE CLUSTER

Good Governance Cluster Capital	Adjusted Budget 2018/19 R 000	Budget 2019/20 R 000	Budget 2020/21 R 000	Budget 2021/22 R 000
Group Forensic Investigation Services	20 550			
Office Of The Ombudsman	1 500	2 000	2 000	2 000
City Manager	6 763	11 321		7 000
Group Information And Communication Technology	780 200	496 629	350 000	50 000
Group Finance	10 355	5 525		
Group Corporate And Shared Services	297 000	264 316	264 316	279 840
Metropolitan Trading Company	4 500			
Speaker: Legislative Arm Of Council	4 600	9 500	2 000	5 000
Total Capital	1 125 468	789 291	618 316	343 840

The three-year medium-term capital budget of the Good Governance Cluster amounts to approximately R1.8 billion. Below follows a highlight of capital budget/project per department within the Good Governance Cluster for the 2019/20 financial year.

- Ombudsman is allocated R2 million for capital. Allocation to the project include:
 - Operational Capex- Computer, Software, Furniture R2 million.

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- City Manager is allocated R11.3 million for capital. Allocations to the various projects include:
 - Operational Capital: Combined assurance planning and monitoring system Renewal Computer Software JOHANNESBURG F City Wide R8.3 million; and
 - Operational Capital: New Operational Capex JOHANNESBURG F City Wide R3 million.
- Group Information and Communication Technology (GICT) is allocated R496.6 million. Allocations to the various projects include:
 - ICT infrastructure end user computer R25 million;
 - ICT infrastructure upgrading R90 million;
 - LIS stabilisation renewal computer software Citywide R5 million;
 - Microsoft licences R90 million;
 - Migration from lotus notes to Microsoft outlook Citywide R5 million;
 - Non Sap Application modernization and optimization Citywide R10 million;
 - Non-SAP support tools City wide R1 million;
 - Operational Capex City wide R629 Thousand;
 - Risk and compliance solution tools new computer software Citywide R4 million;
 - Sap and non-Sap archiving City wide R15 million;
 - Sap advanced centre of excellence (COE) support management tool R1 million;
 - Sap software Upgrade/re-implementation to latest Sap version Citywide R 90 million;
 - Smart city enablement new computer software Citywide R15 million;
 - Strategic Sap update computer software Citywide R90 million;
 - Upgrading of security hardware equipment R25 million; and
 - WAN and LAN Upgrade City wide R30 million;
- Group Finance is allocated R5.5 million for capital. Allocation to the various projects include:
 - Operational Capital-Look and Feel Project R3 million;
 - Opex New Operational Capex BRAAMPARK R1 million; and
 - Security New Office Equipment BRAAMPARK R1.5 million.
- Group Corporate and Shared Services is allocated R264.3 million. Allocation includes:
 - Procurement of fleet-Pikitup waste management vehicles R95.9 million;
 - Procurement of fleet-Red fleet (Fire engines) R131.8 million; and
 - Procurement of fleet: Specialised vehicles R36.6 million.
- The Speaker: Legislative Arm of the Council is allocated R 9.5 million for capital. Allocation to the project include:
 - Offices upgrade R7 million; and

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- Tools of Trade (New Councillors 270) R2.5 million.

4. POLICY IMPLICATIONS

None

5. LEGAL AND CONSTITUTIONAL IMPLICATIONS

This report is in compliance with the provisions of The Municipal Finance Management Act (Act 56 of 2003).

6. FINANCIAL IMPLICATIONS

Consolidated Capital Budget:

Capital budget estimates for the medium-term framework are as follows:

2019/20	8 321 241
2020/21	8 254 811
2021/22	8 895 626

7. COMMUNICATION IMPLICATIONS

In terms of Section 24 of the MFMA, the Accounting Officer must inter alia, submit the approved budget to National Treasury and Provincial Treasury immediately after the approval of the budget.

The approved budget will also be communicated to the community and various stakeholders in the manner prescribed by law. The Council shall consider any representations received in terms of Section 23 of the Act.

8. OTHER BODIES/DEPARTMENTS CONSULTED

Group Legal and Contracts, all Core Departments and Municipal Entities.

9. KEY PERFORMANCE INDICATOR

Management of the budget process in compliance with the Municipal Finance Management Act Chapter 4.

IT IS RECOMMENDED

1. That the draft capital budget of R8 321 241 000 for the year 2019/20, R8 254 811 000 for the year 2020/21 and R8 895 626 000 for the year 2021/22 of the City of Johannesburg be noted in terms of Section 16 (3) of the MFMA as set out in the following schedules:

- 1.1 Capital budget by vote for each of the Municipal Entities and Core Administration as reflected in Annexure A.

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1.2 Capital budget by project for each of the Municipal Entities and Core Administration as reflected in Annexure B.

2. That the Accounting Officer:

2.1 In accordance with chapter 4 of the Systems Act:

- (a) Make public the annual consolidated operating budget and other documents referred to in section 17(3) of the MFMA;**
- (b) Invite the local community to submit representations in connection with the annual consolidated operating budget;**

2.2 Submit the annual consolidated operating budget:

- (a) In both printed and electronic formats to the National and Provincial Treasury;**
- (b) In either format to any prescribed national or provincial organs of state and to such other municipalities as may be affected by the budget.**

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UNIT HEAD: GROUP ACCOUNTING
CONTRACTS

NIRVANI RAJKUMAR
GROUP LEGAL AND

MANENZHE MANENZHE
GROUP CHIEF FINANCIAL OFFICER

COJ: COUNCIL
COJ: MAYORAL COMMITTEE

2019-03-14
2019-03-06

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COUNCILLOR FUNZELA NGOBENI
MMC: FINANCE