

**The Speaker**  
**City of Johannesburg**  
**PO Box 1049**  
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**2000**

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Dear Madam Speaker

**CITY OF JOHANNESBURG:**  
**DRAFT 2020/21 INTEGRATED DEVELOPMENT PLAN REVIEW:**  
**JPOMA SUBMISSION**

We welcome the opportunity to participate and be involved in the development and preparation of the Johannesburg Integrated Development Plan Review 2020/21 (IDP). We trust that this submission will be of value and will contribute to the long-term sustainable and transformational development and management of Johannesburg. Our focus in this regard is the needs of the poor and vulnerable communities residing in high-density residential communities in the Inner City and other areas of Johannesburg.

**1. Purpose of the submission**

- 1.1. To illustrate the impact of increases being proposed in the services charges and fees contained in the IDP and budget on the poor and vulnerable communities being accommodated in affordable housing;
- 1.2. To summarise and demonstrate the potential implications for the provision of affordable housing in the Inner City and other areas of Johannesburg; and
- 1.3. Request to mitigate the cumulative effect of the historical and current non-inflationary increases in charges that are now being further exacerbated by the impacts of Covid\_19.

**Johannesburg Property Owners and Managers Association (JPOMA) NPC**  
(Reg. no.2011/110042/08)

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## **2. Introduction to JPOMA**

- 2.1. The Johannesburg Property Owners and Managers Association (JPOMA) represents most of the credible Johannesburg Inner City property owners and managing agents who are active in the rejuvenation of the Inner City. This represents R15bn of private capital invested in over 60 000 affordable housing units accommodating in the region of 250 000 Inner City residents.
- 2.2. The accommodation we provide is aimed at filling the gap between social housing and gap housing with rentals of between R1 750 – R6 000 to accommodate families with monthly household incomes of between R4 500 and R15 000.
- 2.3. It should be noted that JPOMA's tenants largely fall outside of the protections afforded by the City's Expanded Social Package.
- 2.4. Our focus is the provision of safe, functional and affordable accommodation for the residents. This includes addressing the built environment around the buildings and through City Improvement District structures, we contribute to the funding and supervision of clean and safe services for the public areas around the buildings.
- 2.5. JPOMA members contribute approximately R85m per month in utility charges and taxes to the City's revenue. This represents approximately 40% of the operational costs of our members which involves the administration of services to and collection from over 50,000 households. Effectively we operate as miniature municipalities and assume all the risk associated with such activities.
- 2.6. Many of our members are actively involved in various community and social services and facilities including schools, crèches, open space and parks, security and cleaning.

## **3. Consideration of the current socio-economic and COVID-19 context**

- 3.1. We contend that the City must recognise the current socio-economic situation of South Africa and Gauteng. Before the onset of COVID-19 the economy was in sharp decline resulting in increased unemployment and levels of poverty. This was particularly evident in the poor and vulnerable communities, which fall outside the City's Expanded Social Package.
- 3.2. However, with COVID-19 the consequences are expected to be unprecedented in economic and social terms. This is expected to compound unemployment and will have severe implications in the quality-of-life of the already poor, elderly, disabled and people affected by comorbidities. This is anticipated to be highly evident in the poor and vulnerable communities who are living in high-density communities found in the Inner City, the immediate surrounds and other areas of Johannesburg.

- 3.3. It is therefore with great disappointment and huge concern that JPOMA sees that the City has taken no definitive and explicit immediate and longer-term steps in the Draft IDP in preparation for and to address this looming humanitarian social and economic disaster.
- 3.4. The Draft IDP gives recognition to the situation as of March 2020 and restrictive regulations regarding COVID-19 prevailing at that time. It notes the economic and financial implications and identifies various risks and potential impacts. However, there are no definitive and explicit policies, plans, programs or actions driving towards sustainable solutions regarding issues such as healthcare, food security, unemployment, decimation of small and medium enterprises, services provision and financial implications amongst others.
- 3.5. In a submission to the Executive Mayor dated 6 April 2020, JPOMA proposed as follows:

**“PROPOSAL**

JPOMA proposes a balanced pro-poor, pro-investment utility charge approach for the 2020/21 budget that provides immediate and ongoing relief to poor households living in strategic high-density residential/mixed-use nodes, such as the Inner City. This is proposed to consist of the following components:

- Immediate reinstatement of the free lifeline supply of 6kl free water with no basic charge for all or at least for all poor households residing in high-density areas. Apart from the obvious need for water to survive, this is also vital for hygiene to combat the virus;
- At least a 50% reduction in sewer charges for the poor residing in high density residential units;
- No increases in water and electricity charges, especially in the first two utility category/blocks;
- Rebates to property owners for administering utility charges on behalf of the City for approximately 60 000 Inner City units
- Property rates are not increased in the current financial year.

**COVID-19 INNER CITY TASK TEAM**

JPOMA and other Inner City organisations, such as JICP and the FIRM are already represented on the COVID-19 Inner City Task Team and wish to assist the City in making expertise available to balance the operating budget, liaising with organisations such as NERSA, ESCOM, Rand Water, etc. and in any other way that may be required for the utility charges and on other priority matters. We propose that this matter be discussed at the next Task Team meeting.”

However, the budget proposed that the tariff proposals as published in February 2020 remain unchanged in the face of rapidly changing economic realities arising from the pandemic.

Therefore, we submit this proposal again for your consideration as proactive measures that the City should take towards addressing both the pre-existing economic realities and the potential implications of the COVID-19 virus.

#### 4. Impact of proposed increases on affordable households

- 4.1. JPOMA is extremely concerned about the ongoing increases in municipal costs and rates. The historical and current impact of increases in service charges is illustrated in a real-life case study from the Inner City illustrated below.
- 4.2. The table in Figure 1 illustrates the increase of municipal costs and rental for a single room in the Inner City for a family of three. In this regard:
- 4.2.1. The costs for municipal services for the period of 2008 to 2020 have increased between approximately 211% to 295%.
- 4.2.2. While rentals have increased by approximately 100%. It should be noted that many of the property owners have not been increasing rentals due to increasing vacancies and recognition of high increases in municipal charges
- 4.2.3. This is against an increase in household income of approximately 125%. These differences in the total increases are shown graphically in Figure 2.
- 4.3. The graph in Figure 3 shows the increases in monthly municipal service costs and rentals relative to household income. It can be seen that the increases in municipal services have consistently been higher than those for household income. In recognition of these relative increases, JPOMA members have tended to keep rental increases below inflation to assist with the affordability of accommodation for the poor and vulnerable communities.

Year	Household Income	Rental	Water Charges	Sewer Charges	Prepaid Electricity Charge	Total Council Charges	Electricity % of Rent	Council Charges % Rent	Electricity % Household Income	Council Charges % Household Income
2008/09	5,944	1,981	107.59	58.75	261.40	427.74	13.19%	21.59%	4.40%	7.20%
2009/10	6,360	2,150	117.97	66.27	227.12	411.36	10.56%	19.13%	3.57%	6.47%
2010/11	6,805	2,322	128.18	75.61	261.20	464.99	11.25%	20.03%	3.84%	6.83%
2011/12	7,281	2,530	140.89	86.20	282.08	509.17	11.15%	20.13%	3.87%	6.99%
2012/13	7,791	2,695	155.44	98.70	313.12	567.26	11.62%	21.05%	4.02%	7.28%
2013/14	8,337	2,911	167.98	108.39	353.88	630.25	12.16%	21.65%	4.24%	7.56%
2014/15	8,920	3,144	181.79	118.04	377.04	676.87	11.99%	21.53%	4.23%	7.59%
2015/16	9,545	3,412	205.16	134.57	423.00	762.73	12.40%	22.35%	4.43%	7.99%
2016/17	10,213	3,617	225.22	153.27	454.28	832.77	12.56%	23.02%	4.45%	8.15%
2017/18	10,928	3,798	291.08	171.97	464.64	927.69	12.23%	24.43%	4.25%	8.49%
2018/19	11,692	3,988	328.95	194.57	497.96	1,021.48	12.49%	25.61%	4.26%	8.74%
2019/20	12,511	3,988	361.54	250.00	567.73	1,179.27	14.24%	29.57%	4.54%	9.43%
2020/21	13,387	3,988	397.71	232.34	614.32	1,244.37	15.40%	31.20%	4.59%	9.30%
<b>Total increase 2008 -2020</b>	<b>125.22%</b>	<b>101.26%</b>	<b>269.65%</b>	<b>295.47%</b>	<b>135.01%</b>	<b>190.92%</b>				

Figure 1: Increase of costs for living in the Inner City

## Income, Rental and Council Increases 2008 - 2020

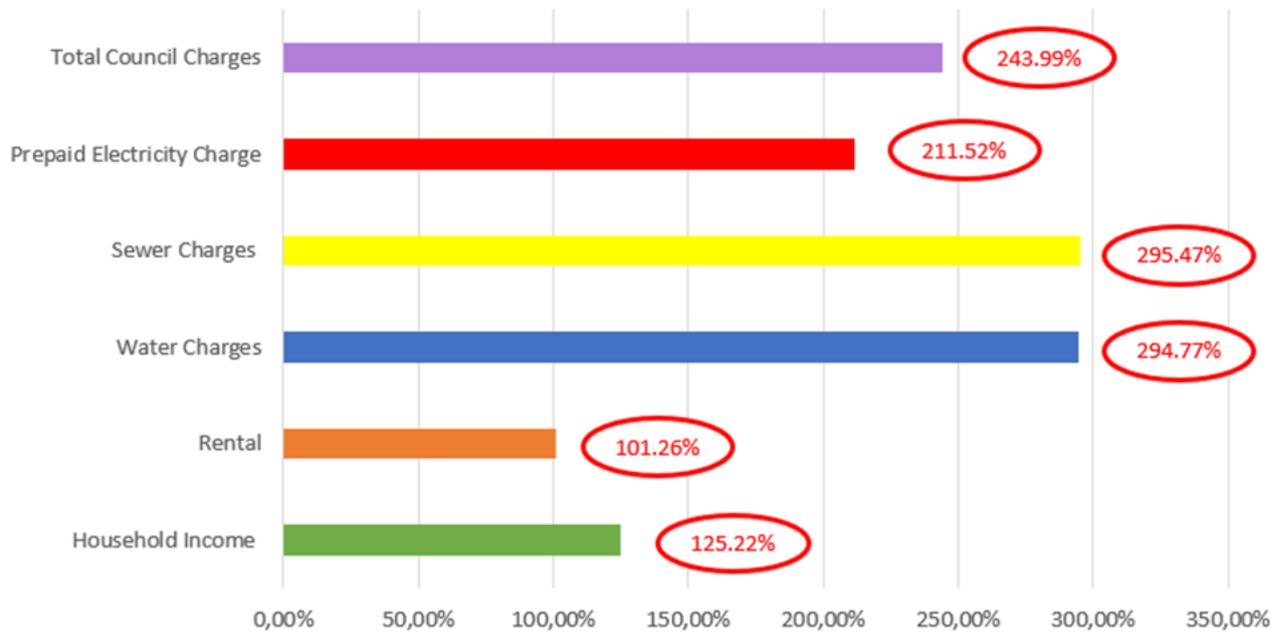


Figure 2: Relative increase of household income, rentals and municipal costs

## Income, Rental and Council Charges Increases

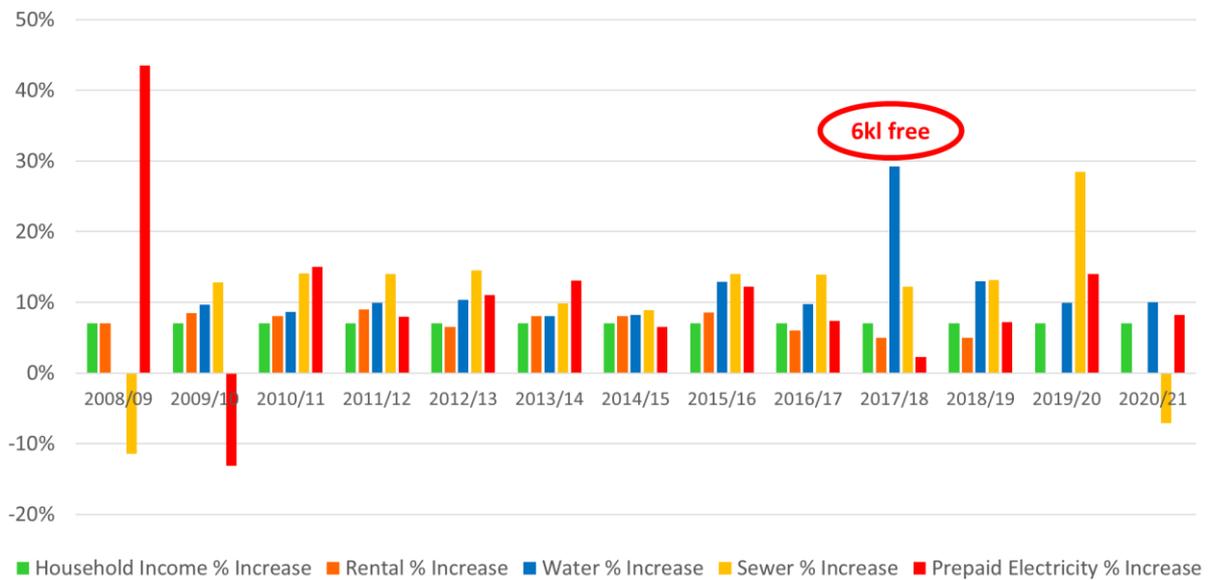


Figure 3: Percentage increases per annum for cost of living components

- 4.4. Similarly, the increases in the values of properties in the 2018 General Valuation Roll coupled with the Property rates tariff have resulted in totally unacceptable increases, well beyond household income gains over the last couple of decades as can be seen in Figure 4 and Figure 5.

- 4.5. From these figures, it is also of concern that each time the General Valuation Roll is updated with the increase in valuations there is a corresponding increase in the rates charged on that same property. This results in exceedingly abnormal percentage increases in the cost of municipal rates to owners and tenants.
- 4.6. From the figures, in 2008, a precedent was set by the City to reduce the rate in the Rand when the General Valuation Roll was undertaken. It is recommended that the City recognises this precedent and avoids the excessive increases by reducing the rate in the Rand accordingly when a General Valuation Roll is undertaken

### GVR AND TARIFFS – 2006 - 2018

2006	5 000 000	0,008400	3 500	
2007	5 000 000	0,009000	3 750	7,14%
2008	8 052 550	0,004000	2 684	-28,42%
2009	8 052 550	0,004400	2 953	10,00%
2010	8 052 550	0,004930	3 308	12,05%
2011	8 052 550	0,005280	3 543	7,10%
2012	8 052 550	0,005570	3 738	5,49%
2013	12 968 712	0,005868	6 342	69,67%
2014	12 968 712	0,006161	6 658	4,99%
2015	12 968 712	0,006531	7 058	6,01%
2016	12 968 712	0,006916	7 474	5,89%
2017	12 968 712	0,007345	7 938	6,20%
2018	20 886 241	0,007345	12 784	61,05%

Figure 4: Annual increases valuation role and rates tariffs

### MONTHLY PROPERTY RATES – 2008 - 2018

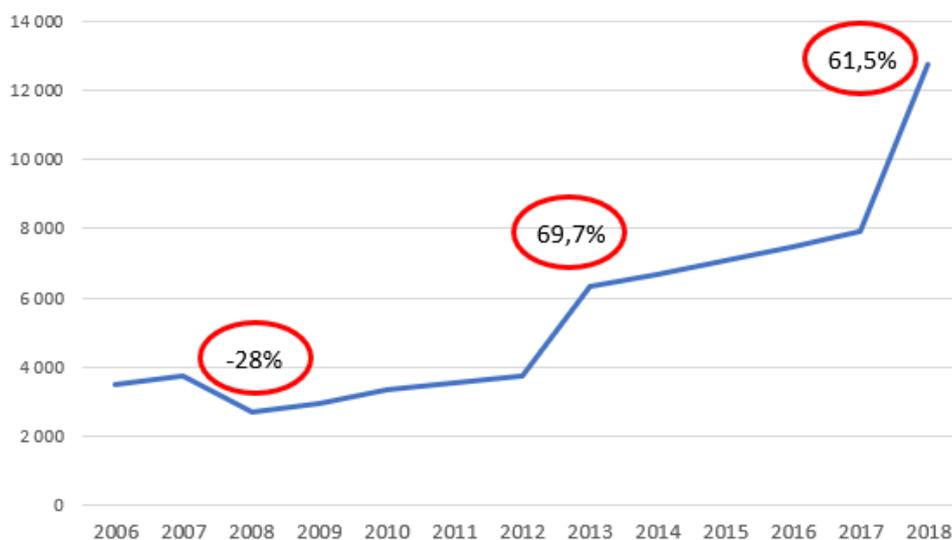


Figure 5: Increases in municipal property rates charges

Water Tariff Increases by Step 2019/2020 – 2020/21			
kl	2019/20	2020/21	% Increase
<6kl	9.10	-	-100.00%
6 - 10 kl	9.66	19.99	106.94%
10 - 15 kl	16.49	20.40	23.71%
15 - 20 kl.	23.99	27.79	15.84%
20 - 30 kl	32.95	38.40	16.54%
30 - 40 kl	36.51	43.00	17.78%
40 - 50 kl	46.62	53.99	15.81%
> 50 kl	49.66	57.79	16.37%

Figure 6: Comparison of water tariff increases

- 4.7. JPOMA welcomes the reinstatement of the free 6 Kl of water for each unit. This is an important contribution to the poor and vulnerable communities in affordable housing units.
- 4.8. However, the 106.94% increase in the Step 2 of the water block tariff as shown in Figure 6 is of concern as again, those households in the lower income bracket will be impacted by the increase in that charge. In effect this increase will nullify any savings that would be achieved should a resident exceed the 6 Kl free allowance.
- 4.9. JPOMA is also concerned about the proposed increase in the Water Demand Levy to R27.02. Again, an increase of 8.60% which is above CPI. A further increase in charges adding to the burden on the household income.
- 4.10. In view of rising costs, JPOMA members are promoting and using appropriate interventions and measures to manage water and energy demand and supply. This is seeing reduced consumption by the residents of affordable accommodation which obviously benefits them.
- 4.11. JPOMA is concerned about the repeated annual creeping increase in the prepaid electricity by reducing the size of Block one from 0-500 kW kilowatt in 2018/19 to 0-350 the following year and now to 0-300 kW. The creeping reduction in the block size and increase in the rate has a combined impact on electricity charge increase of 19% as is illustrated in Figure 7. This percentage increase excludes the R200 basic capacity charge. If this is included the increase from 2018/19 to 2020/2021 is 39%. This is based on 400 kwh per month.
- 4.12. JPOMA tenants use on average 400kwh of electricity per month. With the drop in step tariff from 350 to 300 a tenant using 400kwh per month will go from paying R567.73 p/m to R814.32 p/m (including R200 Basic Availability Charge). This is a 43.43% increase.

Without the R200 Basic Availability Charge, they will be paying R614.32 p/m which is a 8.21% increase. The previous year (2019/2020) the step tariff was dropped from 500 to 350, this was a 14.01% increase for a tenant using 400kwh.

4.13. This creeping increase is a further imposition on affordable household income adding to the combined unacceptable increases in municipal services charges.

4.14. JPOMA therefore believes that this creeping revision of the block tariffs is punitive and should be reconsidered, particularly to assist poor and vulnerable communities.

Effect Decreasing the Step Tariff has on Affordability - Prepaid		
Usage	400kwh + R200	
2018/19	497.96	7.17%
2019/20	567.73	14.01%
2020/21	814.32	43.43%
<b>% Increase 2018/19 - 2020/21</b>	<b>63.53%</b>	
Usage	400 kwh	
2018/19	497.96	7.17%
2019/20	567.73	14.01%
2020/21	614.32	8.21%
<b>% Increase 2018/19 - 2020/21</b>	<b>23.37%</b>	

Figure 7: Evaluation of the combined decrease in block size and increase in charges

4.15. JPOMA finds it unacceptable that the charge for sewage and sanitation services for a dwelling on a single erf up to 300 m<sup>2</sup> is R213.94 while a unit in a block of flats is charged R250 per unit per month. JPOMA suggests there should be a 50% discount for inner city high density residential in the absence of a consumption-based charge.

4.16. The basis of this suggestion is that a room on the roof of a building in the inner city, letting for R1800 per month should not be paying the same as a free standing (or sectional title unit) in, for example, Sandton. Comparative markets, rentals, incomes of tenants, etc. all show that there is no possible justification for the inner-city high-density dwelling tenant paying even half the sewer charge for the Sandton flat.

4.17. Furthermore, a real-world example of a tenant in Soweto and the CBD would demonstrate the unjust and unequitable nature of the charge and a tariff comparison between flats and multi-dwelling units can be shown. A flat (classified as a multi-dwelling unit) in Soweto will be paying approximately R520 from July compared to R260 in the inner city for whereas the rents for a similar size apartment are the same.

- 4.18. JPOMA strongly believes that sewer charges should be billed on the basis of usage and not a fixed charge. This is particularly important given that property owners are required to pay the fixed charge regardless of whether a tenant occupies the unit or not. This therefore is extremely punitive during times of increased vacancies. It should be based on a user-pays principle and not a tax so to speak.

## **5. Basic capacity charge for prepaid residential customers.**

- 5.1. JPOMA is extremely concerned about the proposed further additional R200 basic capacity charge for prepaid residential customers.
- 5.2. Since the publication of the proposal in the Draft IDP and budget, we understand that there may be consideration for a reduction to R100. We also understand that this basic capacity charge may not apply to bulk metering accounts. However, this is unconfirmed, and we will continue to review the Draft IDP as it has been published which indicated that the basic capacity charge would be applicable to all residential prepaid customers.
- 5.3. From an affordable housing perspective, it is the poor and the vulnerable communities who will bear the brunt of this added cost. A further imposition on their household income which adds to the high percentage increases in municipal charges that they are already facing.
- 5.4. JPOMA and its members are extremely concerned that this added basic capacity charge will have a major impact on their business cash flow. In addition, the charge would have to be paid by the bulk supply reseller for units that are not occupied as the charges are to be levied per unit as opposed to occupied unit.
- 5.5. The bulk supply resellers would also be required to carry the extensive risk associated with this additional basic capacity charge. The resellers are already responsible for the network between the bulk meter and user metered connections. They are effectively acting as “municipalities” in their own right being responsible for ensuring supply of electricity with the liability for the financing, debt collection, management and maintenance of the network.
- 5.6. In addition, JPOMA believes that in these circumstances the City’s administrative burden will also be decreased through the pre-paid meter being administered by the bulk reseller as the City does not have to regularly send out a meter checker, nor does it have to render an account.
- 5.7. The basic capacity charge would amount to a tax on work that has been done by the electricity reseller, and paid for by the tenant through the margin afforded to the reselling agent by the tariff.
- 5.8. JPOMA wishes to note that in terms of the resellers agreement there is an agreement regarding the provision of service, maintenance, billing and collections for which there

would be recognised discounts. Imposing this basic capacity charge on the bulk resellers is not in line with this agreement.

- 5.9. JPOMA notes that prepaid business customers will be required to pay R400 as a basic capacity charge. It is unacceptable that business again is having to pay more to subsidise residential users. Surely a capacity charge should be the same for every user?
- 5.10. JPOMA believes there should be no basic capacity charge for residential or commercial users unless the account is directly with the City.
- 5.11. In this respect, this charge being increased for business customers will also impact on the costs faced by small and medium businesses and enterprises which are recognised as key to future economic growth, development and employment. It is unfair to burden this sector of the economy with additional costs, particularly in the wake of the current economic and COVID-19 context.
- 5.12. It is JPOMA's contention that rather than adding a further basic capacity charge to the prepaid metre residential and business users, the City should focus on improved efficiencies and savings to reduce the costs of operating and maintaining electricity infrastructure to ensure that it is available to all users. This would include an unyielding action by the City to address the rapidly growing theft of electricity from the network by illegal connections to reduce the already unacceptable and excessive 20% electricity loss.
- 5.13. The City should recognise that a likely unintended consequence would be an increased number of residents and businesses connecting illegally to avoid these extra basic capacity charges. This would result in a concomitant increase in loss of revenue to the City and added costs to address the increase in illegal connections.
- 5.14. This should in fact be recognised in the Service Standards Charter where a stronger standard relating to percentage of convictions should also be included to the percentage of investigations. Compliance and enforcement with successful convictions should be the target standard.

## **6. Impacts, implications and measures to address ongoing increases**

The implications of these ongoing increases in the municipal services costs and charges can be summarised as follows.

- 6.1. The overall and combined increases of municipal services charges of approximately 240% from 2008 against an increase in household income of approximately 125% has a major impact on the affordability of accommodation for poor and vulnerable communities.
- 6.2. For the same period rentals increased by approximately 100%.
- 6.3. Between 9% and 77% of vacancies in JPOMA members' portfolios were caused by the increased municipal costs and charges. This is an average of 40% of tenants who are

vacating their affordable accommodation for reasons of increased municipal costs and charges.

- 6.4. The escalating increases in municipal services charges must be acknowledged by the City as not being “pro-poor”.
- 6.5. The unacceptable increases are affecting vacancies due to the impact on affordable household incomes. These increases are added pressure on the current economic climate which is exacerbated by the COVID-19 restrictions. All of this not contributing to a pro-poor budget.
- 6.6. Furthermore, the sustainability and viability of developers and managers of affordable accommodation are under severe threat with the annual exorbitant cost escalations with no prospects of increasing rentals and revenues.
- 6.7. Investors, developers and managers of affordable accommodation housing provision are evaluating the current and long-term situation and, in some cases, they have decided that they will no longer be investing in Johannesburg and the Inner City. Others are seriously considering their current positions.
- 6.8. The City is desperate for the provision of affordable accommodation and the private sector has made a major contribution in this regard. If the private sector withdraws due to continuing unreasonable increases in municipal services costs, the poor and vulnerable communities will suffer further.
- 6.9. JPOMA notes with great dismay and concern that the City continues to be inefficient and ineffective with regards to its own processes, repairs and maintenance and continual increases in employee numbers and costs.
- 6.10. The City needs to take strong firm measures about efficiencies and effectiveness in its own revenue collection, recovery of water and electricity losses, cost management and resource deployment to reduce the need for continued and unacceptable increases in municipal services charges and rates.
- 6.11. The increasing cost burden on investors, developers, businesses, employers and residents is making Johannesburg unattractive for investors and developers and those who live and work in the city.
- 6.12. Added to this, the lack of compliance and enforcement of the bylaws and high levels of corruption compound the increased costs of urban development and management. These add to the unfavourable conditions to attract and retain economic investment and development activity by the private sector and providers and managers of affordable accommodation.
- 6.13. The City needs to address these negative realities with strong, positive and meaningful interventions to regain the confidence of the private sector and communities.

## 7. Legislative Framework

7.1. Section 74 of the Local Government: Municipal Systems Act 32 of 2000 (“the Systems Act”) makes provision for the setting of a Tariff Policy by the City, taking into account the following:

“(2) A tariff policy must reflect at least the following principles, namely that -

- (a) users of municipal services should be treated equitably in the application of tariffs
  - (b) the amount individual users pay for services should generally be in proportion to their use of that service;
  - (c) poor households must have access to at least basic services through
    - (i) tariffs that cover only operating and maintenance costs,
    - (ii) special tariffs or life line tariffs for low levels of use or consumption of services or for basic levels of service;
    - (iii) any other direct or indirect method of subsidisation of tariffs for poor households;
  - (d) tariffs must reflect the costs reasonably associated with rendering the service, including capital, operating, maintenance, administration and replacement costs, and interest charges;
  - (e) tariffs must be set at levels that facilitate the financial sustainability of the service, taking into account subsidisation from sources other than the service concerned;
  - (f) provision may be made in appropriate circumstances for a surcharge on the tariff for a service;
  - (g) provision may be made for the promotion of local economic development through special tariffs for categories of commercial and industrial users
  - (h) the economical, efficient and effective use of resources, the recycling of waste, and other appropriate environmental objectives must be encouraged;
  - (i) the extent of subsidisation of tariffs for poor households and other categories of users should be fully disclosed.
- (3) A tariff policy may differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to unfair discrimination.”

7.2. Having regard to the IDP there are no explicitly stated Tariff Policies, and none have been posted on the City of Johannesburg’s website. In the proposed amendments to the Tariff, primary consideration seems to have been given to the type of use, and not to the type of user.

7.3. In this regard, it is JPOMA’s respectful view that although the Amendment of Tariff of Charges document produced by City Power makes reference to three primary considerations in its tariff setting policy, it has ultimately resorted to the ostensibly passing of the increase provided by NERSA to Eskom directly onto the consumers in its jurisdiction. Thereafter, when the proposed increases are actually assessed it follows that the increased cost to pre-paid electricity user is 43.43% with the basic capacity charge of R200 and 8.21% without the charge.

7.4. In a similar vein, the ostensible free 6kl of free water is a welcome relief to many consumers within the City’s jurisdiction. However, when one looks at the average consumption of a household it is easy to identify that the relevant household will not take advantage from the initial free consumption.

7.5. Finally, the City has proposed to increase the property rates by a uniform 4.9%, which rates assessment has been calculated on the basis of property that, in many cases, is still the

subject of appeals to the valuation and in which the stated purpose of the rates charges are to:

“Rates revenue is one of the major funding sources for the City of Johannesburg. The services funded from the rates revenue include, inter alia, health, safety and security, roads and public parks as well as many other community related services. The factors influencing the cost structure of providing such services, is the inflationary pressure and cost of supplies required to maintain these services and assets”

7.6. In all of the above circumstances that City has, as much as possible, created an impression of a discount being afforded to consumers, whilst in fact dramatically increasing the amount that they will ultimately pay. These increases do not take into account:

7.6.1. The average service consumption of the end user

7.6.2. The financial realities faced by the end user; and

7.6.3. The nature and cost of the electricity reticulation system.

7.7. It is JPOMA’s respectful view that the City’s tariff system arbitrarily discriminates between the type of the consumer, without taking into account the actual costs of the services. There is, furthermore, no evidence of the consideration of alternate mechanisms through which upstream inefficiencies and the associated increase in cost can be prevented from being absorbed by the ultimate consumer.

## **8. Concluding comments**

8.1. The City has the vision to provide real quality-of-life and sustainability for all its citizens. Its transformative developmental agenda is driven by addressing the needs of the poor through the delivery of services and the creation of acceptable living environments.

8.2. A high priority area for developmental investment by the city is the Inner City and immediate surrounds and is led by the promotion of the provision of affordable housing to bring communities closer to the central areas of the metropolis.

8.3. The City requires partnerships with many different stakeholders to supplement its resources and collaborate in projects and development initiatives.

8.4. To do this requires regenerating interest in the Inner City to create an enabling environment to attract investors, developers and managers of urban development, particularly affordable housing.

8.5. While JPOMA supports many of the City priorities, strategies and programmes it is concerned about the increasing costs of doing business with the City. This is not only impacting on collaborative partnerships but ultimately the city’s citizens and particularly the poor and vulnerable communities.

- 8.6. JPOMA and its members wish to assist the City by making its expertise and resources available to address strategic and operational needs to the benefit of all stakeholders through collaboration and partnerships involving all relevant participants.
- 8.7. JPOMA hereby makes an urgent plea for the City leaders to provide for reductions in the municipal rates and charges to achieve the following:
- Create a safety net for poor and particularly vulnerable people residing in high-density residential communities in the city, especially the more than 500 000 people who call the Inner City and its immediate surrounds their home.
  - Provide and strengthen an enabling environment to attract and retain Inner City investment and economic development, which is required for:
    - Sustaining City revenues;
    - Growing and retaining housing stock and jobs;
    - Mitigating the severity of the impact on residents, businesses and communities; and
    - Providing a much-needed stimulus for the recovery of the vital affordable residential market.

JPOMA trusts that the above contribution will be of value to the City in the preparation of 2020/21 Integrated Development Plan Review and Budget. We do however reserve our rights with regards to further contributions to and participation in this IDP and budget preparation process.

Please contact us should you require any further information or clarification regarding any of the suggestions and proposals made in this submission.

Yours sincerely

PP



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