City of Ekurhuleni

ERWAT

EXCELLENCE IN WATER CARE

DEPARTMENTAL SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN (SDBIP) BUSINESS PLAN 2024/2025

DEPARTMENT: EKURHULENI WATER CARE COMPANY (ERWAT)

Cluster: Water Sanitation and Energy

Consolidated by:

DH: Strategic Planning_____

Sign Off:

MD Signature: _____

Date: 11/06/2024

MMC Signature: _____

Date: 12/06/2024

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INTRODUCTION AND OVERVIEW

1.1 OVERVIEW

ERWAT business plan seeks to outline all developmental challenges and opportunities and articulates a path towards sustainable service delivery using current resources in the short to medium period. The business plan also seeks to deal with the backlogs in the provision of sanitation to the wider City of Ekurhuleni area in support of the legal imperatives, plans and policies as espoused in the Growth Development Strategy (GDS), National Development Plan (NDP), the Constitution and water services regulations. In the water value chain business, ERWAT is responsible for the planning, design, operation, and maintenance of the water treatment works and some major outfall sewers.

Municipalities produce a hierarchy of plans intended to facilitate service delivery in order to improve the quality of life of communities. The different levels of plans are as follows:

Long term plan: COE GDS 2055

1. **5-year plan**: Integrated Development Plan (IDP) – to achieve the outcomes of the long term plan
2. **Top layer annual metro wide Service Delivery and Budget Implementation Plan (SDBIP)**: To give effect to the 5 year IDP and Budget. This top layer SDBIP deals with consolidated service delivery targets and in-year deadlines.
3. **Lower-level Departmental Service Delivery and Budget Implementation Plan/Business Plan** which breaks down consolidated targets into smaller outputs, activities and input which give effect to the Metro Wide SDBIP

The Lower Level Departmental SDBIPs should be based on the following;

1. Initial revenue and expenditure projections provided by the budget office (prepared taking into account; the strategic direction and Mayoral Priorities of the municipality);
2. Initial tariff modelling;
3. Sectoral department strategic plans and budgets;
4. National and Provincial strategic plans and allocations; and
5. Indications for changes in prices.

Circular 13 of National Treasury indicates that the Departmental SDBIP must include amongst others the following:

1. Purpose of the Department (Outcomes): Where the department defines the service they provide and indicate its alignment to the GDS 2055 and Mayoral Priorities;
2. Service Delivery Description (Outputs): Where measurable performance objectives and quarterly projections of service delivery targets and indicators is described. This must also include capital projects to be implemented per ward; and
3. Resources to be utilized (Inputs), (the required budget and human resources as well as the revenue projections).

As its name implies, the Departmental SDBIP is primarily concerned with the business aspects of conducting operations. The foremost objective of the Departmental SDBIP is to carefully lay out the sequence of actions that will guide business operations of the department over a financial year. The SDBIP is an annual plan of the department geared towards achieving the objectives of the municipality's 5 year IDP. The Departmental SDBIP is therefore a full analysis of the business of the Department and goes beyond just a matrix of indicators.

To accomplish this goal, departments must thoroughly understand all the issues, challenges, limitations, and capabilities affecting their business. This period of self-examination is a necessary and beneficial prelude to creating a coherent and comprehensive Departmental SDBIP. This review is not a one-time event, the Departmental SDBIP will continue to evolve as the Department matures and develops new products or services.

The following guidelines are meant to serve as a resource to departments as they develop their Departmental SDBIP. They provide the framework of the Departmental SDBIP and the approach to completing the various sections of the SDBIP. The guidelines form part of a broader process being initiated by the Department of Strategy and Corporate Planning to institutionalise the system of departmental planning within the City and to ensure that internal capacity is developed to manage and maintain the Departmental SDBIP.

SECTION 1: INTRODUCTION

1.1 COMPANY OVERVIEW

ERWAT is an indigenous South African company with extensive expertise in wastewater treatment. ERWAT was established in 1992 as a Section 21 company with its major shareholders being Ekurhuleni Metropolitan Municipality, Johannesburg Metropolitan Municipality and Lesedi Local Municipality.

ERWAT manages 19 Water Care Works (WCWs) strategically located across four drainage districts:

- Northern Drainage District (DD3)
- Upper Blesbokspruit Drainage District (DD4)
- Lower Blesbokspruit Drainage District (DD5)
- Kliprivier Drainage District (DD6)

Through this extensive infrastructure, ERWAT provides essential bulk wastewater treatment services to over 8,000 industries and more than 4.1 million people. The daily treatment capacity ranges from 600 to almost 1000 megalitres (Mℓ) of wastewater.

Beyond wastewater treatment, ERWAT offers a comprehensive service portfolio which constitutes of a wide range of additional services:

- **Process control systems:** Provision and maintenance of essential systems for efficient wastewater treatment processes.
- **Technical support:** Electrical and mechanical maintenance, along with related services, to ensure optimal equipment functionality.
- **Advanced laboratory services:** Chemical and bacteriological analysis capabilities to maintain water quality standards.
- **Research and development:** Ongoing investment in water-related research to drive innovation and optimise treatment processes.
- **Facilities design:** Expertise in designing wastewater treatment facilities tailored to specific needs.
- **Process optimisation:** Optimisation of existing wastewater treatment facilities.
- **Industry training:** Scientific and operational training programmes to enhance the skills of professionals in the wastewater sector.

- **Project management:** Comprehensive project management services to ensure the successful delivery of wastewater treatment infrastructure projects.

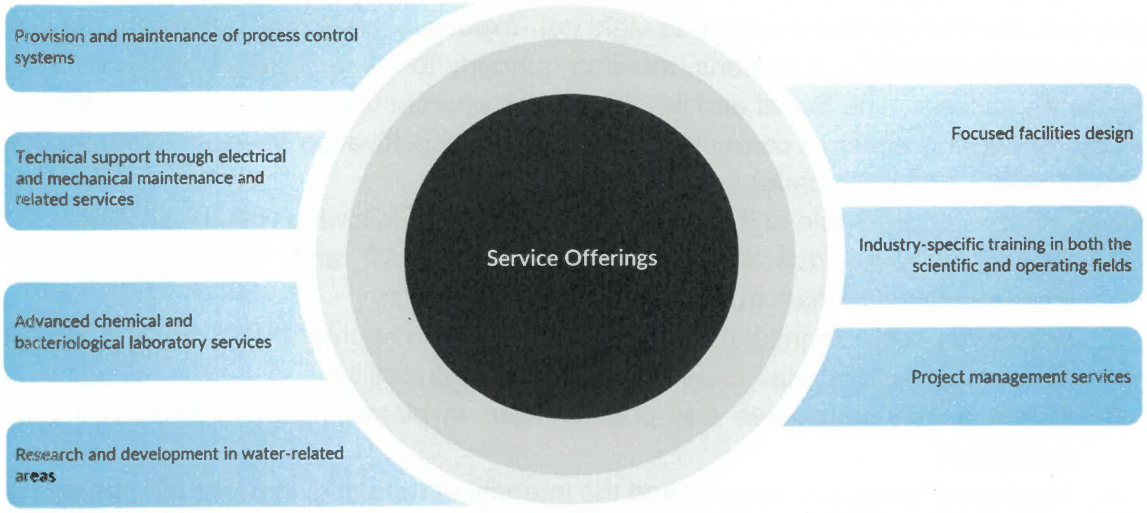


Figure 1: ERWAT service offerings

The wastewater treatment works in each catchment are grouped together in four drainage districts as seen in Figure 2 below:

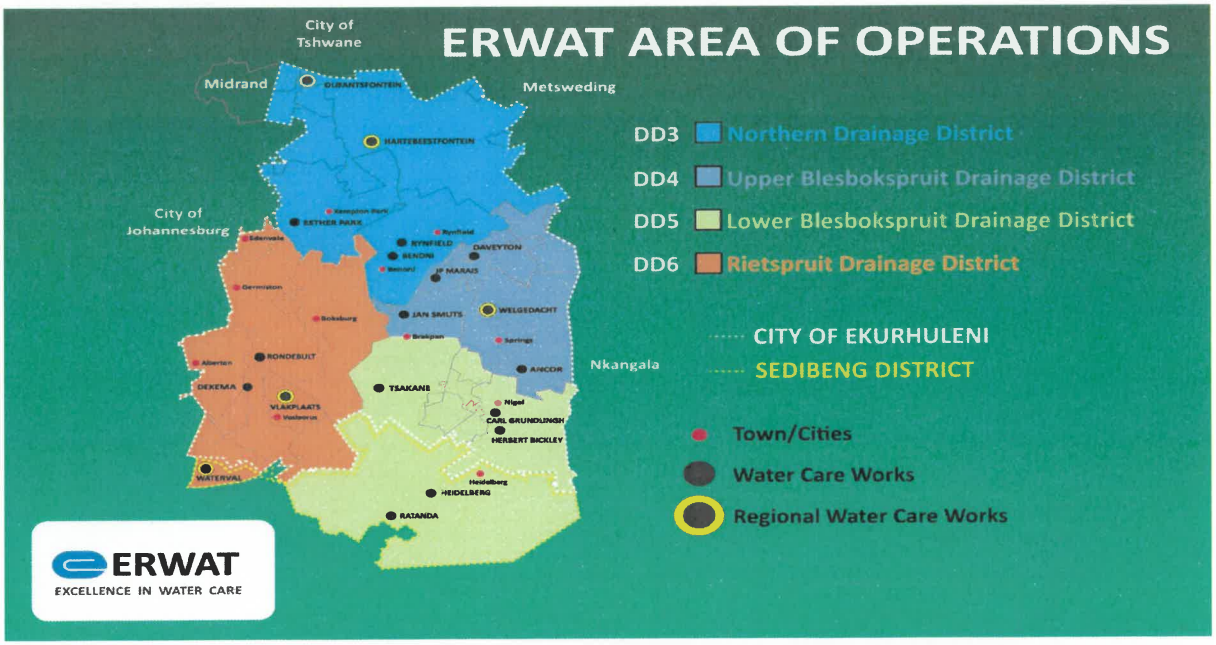


Figure 2: ERWAT's areas of operation

1.2 CORPORATE GOVERNANCE

ERWAT is governed by a Board of Directors that includes one executive and three non-executive directors, with the flexibility to expand up to eight non-executive members. This Board plays a pivotal role in overseeing ERWAT's operations, meeting quarterly to make strategic decisions and ensure the company's success. The Board and its committees operate under a framework of accountability to the City, prioritising effective corporate governance and cultivating strong relationships with the CoE, stakeholders, and the broader community.

The Board remains accountable to the CoE and maintains the following Responsibilities:

1. Setting strategic direction and goals of ERWAT and monitoring management's implementation of that strategy.
2. Appointing such committees of ERWAT as may be appropriate to assist in the discharge of its responsibilities and to determine their responsibilities.
3. Ensuring that procedures and practices are in place to protect ERWAT's assets and reputation.
4. Monitoring financial outcomes and the integrity of reporting, in particular approving annual budgets and longer-term strategic and business plans.
5. Ensuring that effective audit and compliance systems are in place to protect the ERWAT's assets and to minimise the possibility of ERWAT operating beyond legal requirements or beyond acceptable risk parameters.
6. Monitoring compliance with regulatory requirements and ethical standards.

ERWAT's immediate governance/oversight structures include that of the City of Ekurhuleni, the Department of Water and Sanitation, illustrated in the figure below are the other oversight structures which include the Board and the Executive Committee (EXCO).

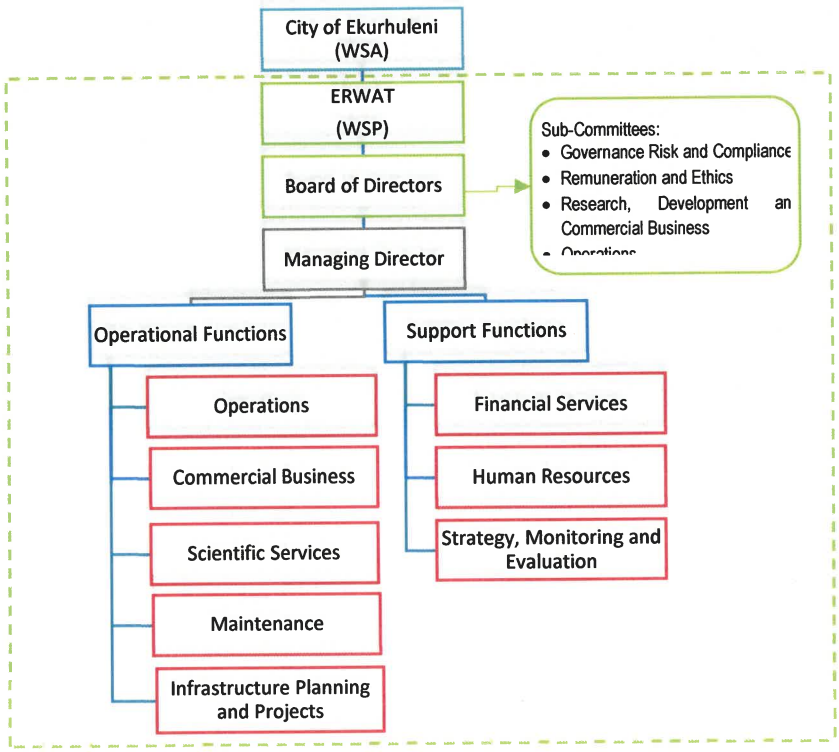


Figure 3: ERWAT governance structure

1.3 CURRENT OPERATING ENVIRONMENT

1.3.1 THE WATER AND SANITATION NATIONAL AGENDA

As an organisation, ERWAT's mandate emanates from Section 27(b) of the Constitution of South Africa, which guarantees the right of everyone to have access to sufficient food and water. It is part of the Bill of Rights, which outlines the fundamental rights of all people in the country. This constitutional provision has significant implications for ERWAT, as it underscores the company's responsibility to ensure the provision of sufficient, safe, and reliable water to the communities it serves.

Other policy imperatives linked to the international and national agenda on water and sanitation, are outlined by both the Sustainable Development Goals (SDGs) and the National Development Plan (NDP). The NDP sets targets that are intent on ensuring efficient and competitive infrastructure that sustainably ensures access to water and sanitation by all South Africans, in line with Goal No.6 of the Sustainable Development Goals.

The water and sanitation targets to be achieved within the 2030 timeline include:

1. Improving existing systems, with clarification of responsibilities in the areas of sanitation.
2. Conducting comprehensive management strategies including an investment programme for water resource development, bulk water supply and wastewater management for major centres.
3. Creating regional water and wastewater utilities and expanding mandates of the existing water boards.
4. Strengthening regional cooperation in water management.
5. Ensuring that all South Africans will have affordable, reliable access to sufficient safe water and hygienic sanitation.

Achieving these targets will involve the following initiatives which impact role players such as ERWAT in the water sector (in alignment to the NDP, the CoE has noted their IDP focus with respect to water and sanitation to include):

1. Improving access to sanitation in both formal settlements and informal dwellings.
2. Ensuring that environmental assets and natural resources are well protected and continually enhanced.
3. An awareness of the fact that water scarcity will influence the development path of the City. The implication of the national agenda on ERWAT's business is that:
4. As CoE's implementation arm for sanitation services, ERWAT will be required to develop and expand the water care works to support the provision of basic services.
5. The manner in which ERWAT develop and expands the Water Care Works needs to still ensure the affordability of the service.
6. ERWAT needs to adopt business practices that protect environmental assets and natural resources.
7. ERWAT needs to be adaptable in the use of both off-grid and on-grid infrastructure.

1.3.2 THE NATIONAL WATER RESOURCES STRATEGY

The National Water Resource Strategy (NWRS-3), published by the Department of Water and Sanitation in 2023, outlines several key imperatives to ensure the sustainable and equitable management of South Africa's water resources.

The NWRS-3 is guided by the following vision:

"The protection and management of water resources to enable equitable and sustainable access to water and sanitation services in support of socio-economic growth, development and sustained ecosystem functioning for the well-being of current and future generations."

The key imperatives of the NWRS-3 are summarised as follows:

- **Protection and Equitable Access:** The NWRS-3 prioritises the protection of water resources and ensuring equitable and sustainable access to water and sanitation services for all South Africans, particularly marginalised and vulnerable communities. This includes addressing historical inequalities in water access.
- **Sustainable Water Use:** The strategy emphasises the sustainable use, development, conservation, and management of water resources. This involves promoting efficient water use, reducing water losses, and implementing measures to address water scarcity and drought.
- **Water Quality Management:** The NWRS-3 emphasises the importance of maintaining and improving water quality to ensure the safety and health of ecosystems and communities. This includes preventing pollution, managing wastewater effectively, and protecting water sources from contamination.
- **Supporting Socioeconomic Development:** The strategy recognizes the critical role of water in socioeconomic development and aims to support economic growth, job creation, and poverty reduction through sustainable water management and investment in water infrastructure.

These strategic imperatives, outlined in the NWRS-3, provide a roadmap for achieving water security, equitable access, and sustainable development in South Africa. ERWAT, as a key player in the water sector, must align its operations and strategic goals with these national imperatives to contribute to the achievement of the country's water resource management objectives.

1.4 MACRO-ENVIRONMENTAL SCAN

ERWAT stands at the forefront of a rapidly changing world, where four major megatrends are converging to reshape the landscape of water management. These dynamic forces, as shown in Figure4 below, present both challenges and opportunities, calling upon ERWAT to leverage its expertise and innovation to develop adaptive strategies that will ensure the sustainable and equitable provision of water services for years to come.

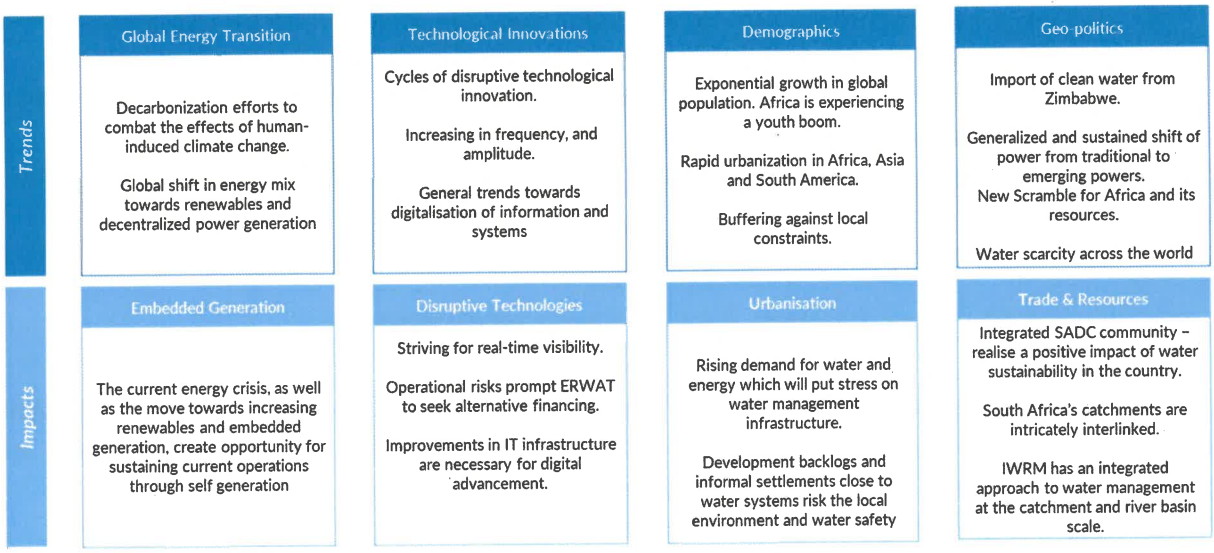


Figure 4: Four mega trends are impacting the globe

An examination of the macro-environment surrounding wastewater management exposes a critical gap between the current state of infrastructure and the growing needs of communities. Traditional approaches are proving insufficient, underscoring the necessity for bold, new solutions that can address maintenance backlogs and capacity limitations in a financially sustainable manner.
Other notable outcomes of the scan show that there is a growing awareness of the scarcity of water and the importance of reuse in building resource resilience. Non-compliance with legislation highlights the need for wastewater companies to do more to partner with municipalities to improve the enforcement of municipal by-laws and consequently improve effluent inflow into water treatment plants.

Despite there being an increase in investment into off-grid wastewater treatment solutions, more needs to be done in South Africa to increase societal awareness of these solutions. These, and other considerations, are summarised in the outcome of the PESTLE analysis illustrated below. Specifically, the PESTLE Analysis indicates that water challenges are the next load-shedding phenomenon in South Africa.

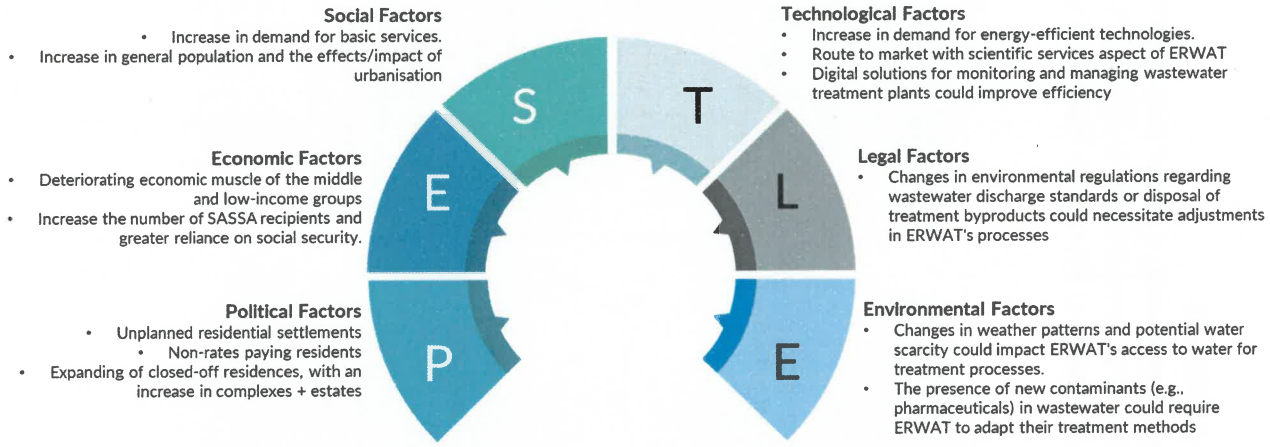


Figure 5: Outcome of PESTLE analysis

1.5 STRENGTHS, WEAKNESSES, OPPORTUNITIES AND THREATS

To understand ERWAT's strengths, weaknesses, opportunities, and threats, a closer look inward at the company and its place in the water industry—these involved discussions among the ERWAT management and an examination of ERWAT's current situation. This included the consideration of external factors, such as the competition and the overall water market to inform the high-level analysis.

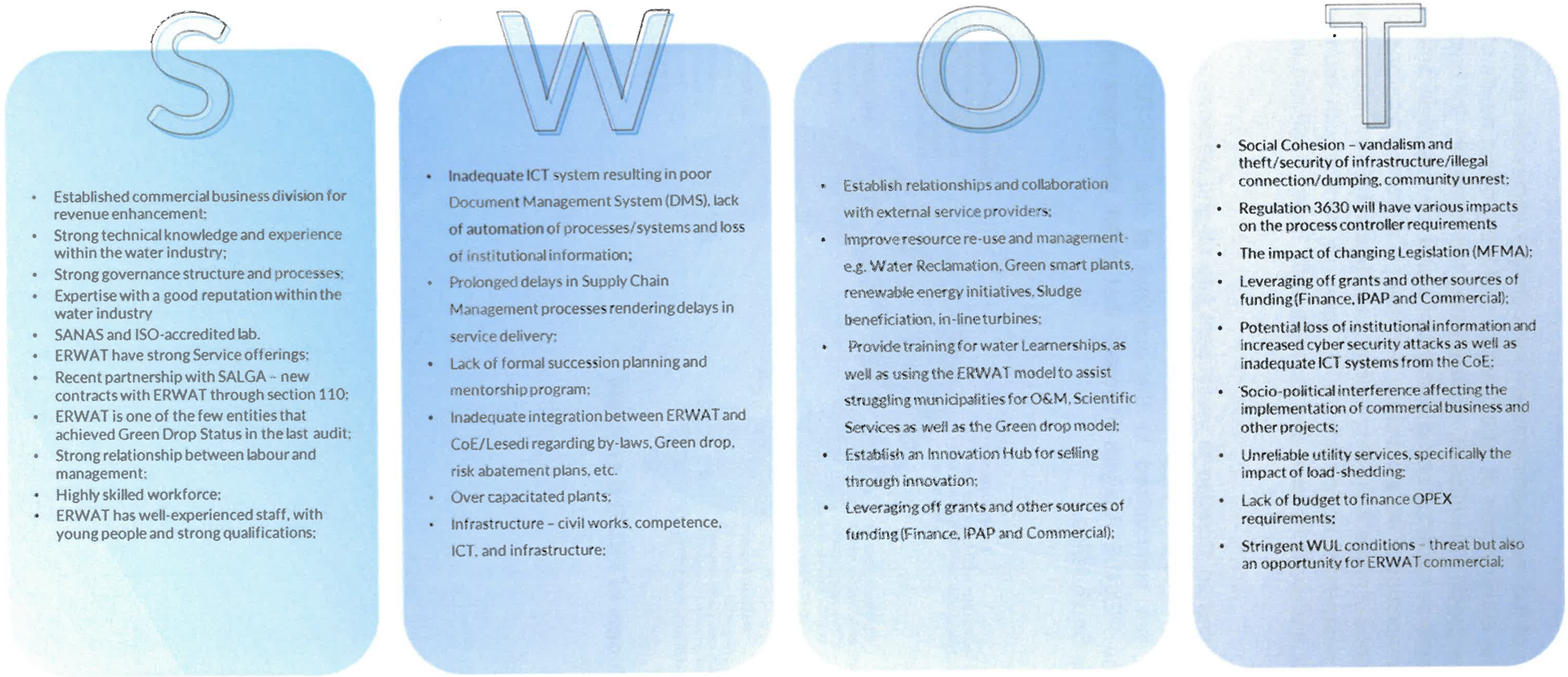


Figure 6: SWOT analysis

1.6 ERWAT'S STRATEGY

1.6.1 ERWAT's purpose

A clear purpose statement serves as a guiding light for an organisation, defining its reason for being and shaping its strategic direction. ERWAT's purpose has been defined as **improving the environment and human well-being by providing sustainable water care and resource recovery**. ERWAT is committed to improving the environment and enriching lives by providing sustainable water care and pioneering resource recovery solutions. Beyond its core wastewater mandate, the organisation aspires to expand its services and educate both industrial and domestic users on the critical importance of responsible water resource management.

ERWAT's purpose is not only to fulfil its mandated responsibilities but also to continuously evolve and grow. We are dedicated to raising awareness about the critical importance of water resource recovery, empowering our customers and the broader community to become active participants in creating a sustainable water future.

ERWAT's service offerings and/or products to more than just wastewater recovery. To support this, there will need to be efforts to raise awareness concerning the importance of water resource recovery in the context of both industrial and domestic users. The relevance of a purpose statement is in its ability to define an organisation's reason for existence.

ERWAT's core mandate remains steadfast: to provide essential wastewater treatment services to the City of Ekurhuleni, its majority shareholder. However, in shaping ERWAT's future strategy and purpose, it's imperative to acknowledge that the company operates within a dynamic global landscape. Rapid urbanisation, the escalating impacts of climate change, and increasing resource scarcity are fundamentally reshaping the water management sector.

While ERWAT's traditional identity as a wastewater treatment provider will remain central in the medium term, there is a growing recognition, both globally and within ERWAT, that our role extends far beyond simply treating wastewater. Instead, we must evolve to become champions of water resource recovery, acknowledging the inherent value and scarcity of this precious resource.

Alignment with this evolving perspective, ERWAT will strategically minimise the use of the term "waste" in its communication and branding. This shift in language reflects our commitment to redefining wastewater as a valuable resource with immense potential for recovery and reuse. By embracing this forward-thinking approach, ERWAT can position itself at the forefront of sustainable water management practices, contributing to a more resilient and water-secure future for the City of Ekurhuleni and beyond.

1.6.2 ERWAT's vision

ERWAT looks at shaping tomorrow's vision today, while ERWAT's mission is to define the core, objectives, and approach. ERWAT's vision is to be a ***globally recognised water care and resource recovery company***. This vision is forward-looking and articulates what ERWAT intends to be known for in the future.

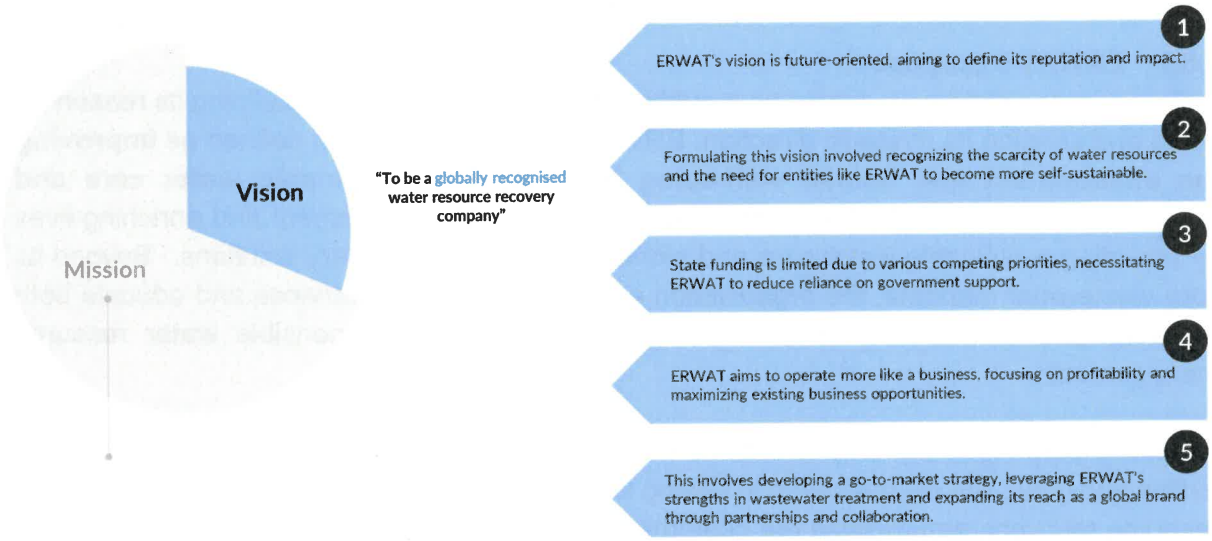


Figure 7: Defining ERWAT's vision

ERWAT's vision considers the escalating global water crisis and its far-reaching consequences. Recognising that traditional reliance on municipal funding is unsustainable due to competing priorities like infrastructure backlogs, ERWAT is charting a path toward greater self-sufficiency.

To alleviate the burden on the City of Ekurhuleni's financial resources, ERWAT is embracing a business-oriented mindset. This strategic shift involves proactively identifying and capitalising on new business development opportunities to generate revenue and achieve long-term financial sustainability.

At the heart of this transformation is ERWAT's core strength: its expertise in wastewater treatment. However, the vision extends far beyond this foundation. ERWAT aspires to become a globally recognized leader in water resource recovery, embracing innovation and forging strategic partnerships to unlock untapped potential in the water sector.
This bold vision encompasses several key elements:

- **Resource recovery:** ERWAT will shift its focus from wastewater treatment to resource recovery, recognising wastewater as a valuable source of water, energy, and nutrients.
- **Diversification of services:** Expanding beyond traditional wastewater treatment, ERWAT will explore new service offerings in areas like water reclamation, sludge beneficiation, and renewable energy generation.
- **Strategic partnerships:** Collaboration with industry leaders, research institutions, and other stakeholders will be crucial for developing and implementing innovative solutions.
- **Global recognition:** ERWAT aims to establish itself as a global authority in water resource recovery, showcasing its expertise and innovative practices on the international stage.

By embracing this visionary approach, ERWAT will not only secure its financial future but also contribute significantly to addressing the global water crisis, ensuring a sustainable and resilient water future for the communities it serves and beyond.

1.6.3 ERWAT's mission

ERWAT is committed to leading the way in sustainable water management and resource recovery. The mission is to deliver affordable, high-quality services to the communities by forging strong partnerships, fostering collaboration across sectors, and embracing smart, forward-thinking solutions.

ERWAT's mission statement serves as a guiding principle for its daily operations and long-term strategic planning. It articulates the core business focus, which is the provision of essential water care and resource recovery services, and underscores the entity's commitment to sustainability, affordability, and quality.

Redefining and reworking the mission statement was necessary to better align and reflect ERWAT's culture and values and to drive growth in the entity. The reworked mission is therefore ***to collectively, protect water resources and ensure a sustainable future for the City of Ekurhuleni and beyond.***

It is firmly believed that collaboration is key to achieving this mission. By partnering with diverse stakeholders, including government agencies, private sector companies, research institutions, and community organizations, can leverage collective expertise and resources to develop innovative and effective solutions for the challenges facing the water sector.

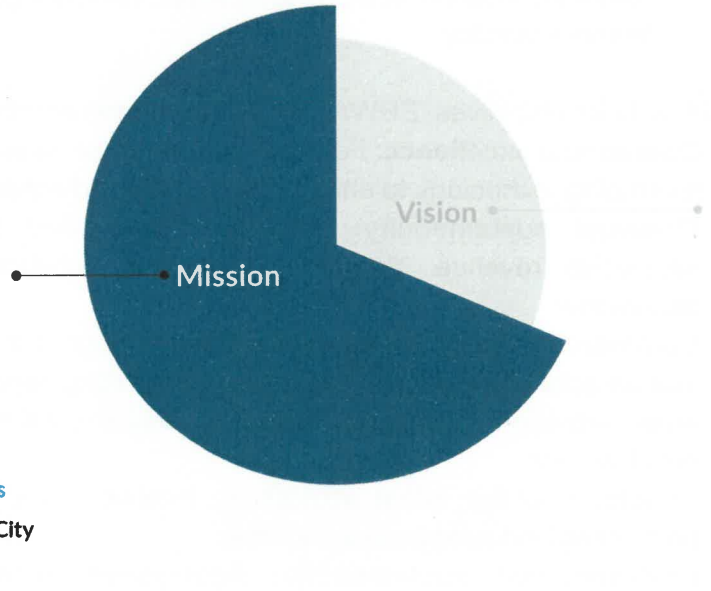


Figure 8: ERWATs reworked mission statement

1.6.4 Strategic objectives

ERWAT's strategy is anchored in two key objectives:

1. **Achieving Green Drop certification for all water care works:** This objective demonstrates ERWAT's unwavering commitment to operational excellence and environmental sustainability. Through a multi-pronged approach, ERWAT will:
   - **Focus on operational excellence:** Optimise existing infrastructure and processes to ensure efficient and effective wastewater treatment.
   - **Implement an enhanced maintenance programme:** Prioritise proactive maintenance to maximise the lifespan and performance of assets.
   - **Introduce advanced technologies:** Leverage technology to enhance monitoring, control, and efficiency of treatment plants over time.

2. **Ensuring financial viability through commercialisation:** ERWAT aims to achieve long-term financial sustainability and reduce reliance on municipal funding. This will be achieved through:
   - **Commercialisation of products and services:** Expanding offerings beyond wastewater treatment to include water reclamation, consulting services, and resource recovery solutions for various industries.
   - **Development of a financial strategy:** Aligning financial planning with the commercialisation strategy to optimise revenue generation and ensure long-term financial viability.

To achieve these objectives, ERWAT has identified seven strategic pillars:

1. **Operational excellence:** Focus on optimising processes, adopting best practices, and leveraging technology to enhance efficiency and achieve Green Drop certification.
2. **Financial sustainability:** Develop a diversified financial model that includes alternative revenue streams like sludge beneficiation and renewable energy generation.
3. **Commercialisation:** Expand service offerings beyond wastewater treatment to include scientific innovation initiatives, consulting services for municipalities, and bulk water provision to various industries including other relative product and service development.
4. **People:** Prioritise talent acquisition, retention, and development to build a high-performing and adaptable workforce.
5. **Environmental sustainability:** Aggressively market scientific services within Gauteng, drive carbon emission reduction initiatives, and commercialise water reclamation and sludge beneficiation.
6. **Technology:** Enhance organisational operational excellence and meet the evolving challenges of the water sector through the optimised treatment processes.
7. **Partnerships:** Forge strategic alliances with municipalities, water boards, research institutions, private sector entities, and international organisations to foster collaboration, knowledge sharing, and technology transfer.

As an entity of the CoE, ERWAT needs to ensure that it aligns to the overarching vision of the city which is summarised in its long-term strategy, the Growth and Development Strategy 2055 (GDS 2055). GDS 2055 identifies five strategic initiatives and ERWAT's strategic objectives are aligned to these in its efforts to support Ekurhuleni in its endeavours to take the lead as a powerhouse in the Gauteng economy as discussed in the figure below.

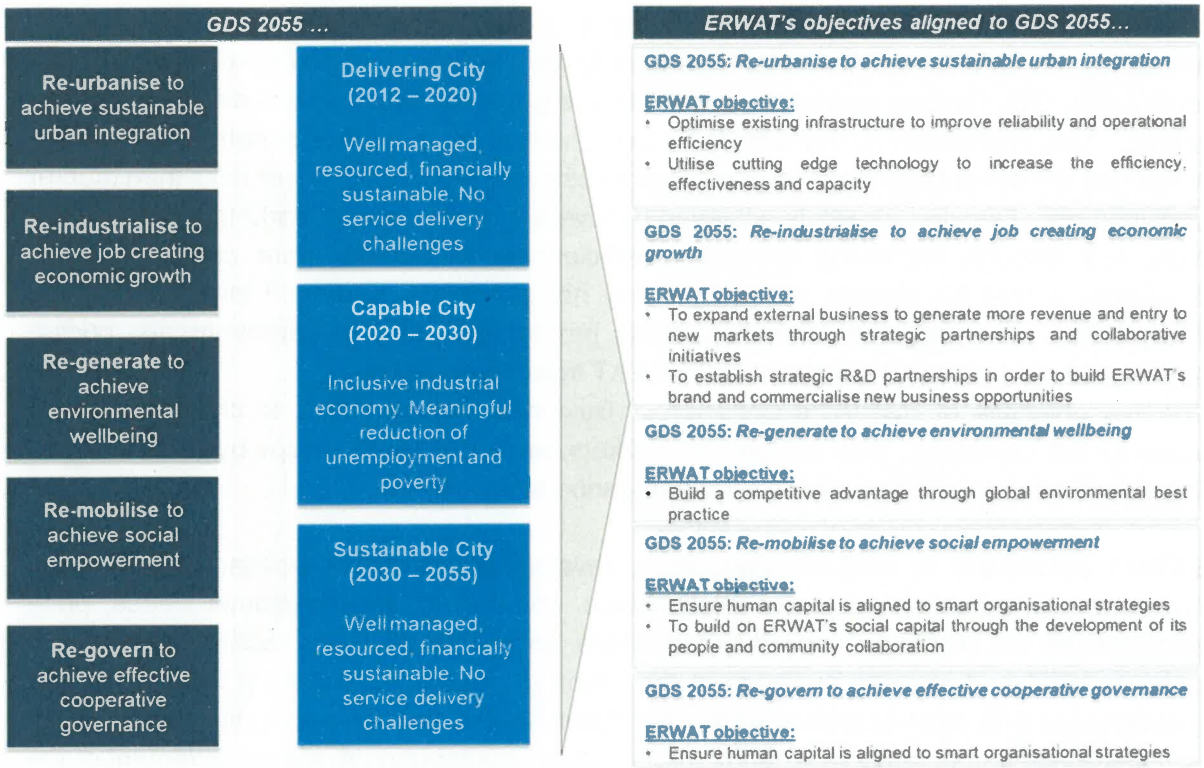


Figure 3: Strategic objectives

1.6.5 Strategic initiatives

As part of ERWAT's strategic plan it has identified 6 strategic initiatives linked to the 6 strategic pillars that ERWAT intends to pursue in support of its strategy. These initiatives are:

1. Sludge beneficiation and resource recovery;
2. Energy neutrality;
3. Water reclamation;
4. Medium term Commercial business growth opportunities targeting specific industries with niche products and services;
5. Financial model strategy that looks at reassessing ERWAT's current financial models and financial market approach; and
6. ERWAT Plants & Conveyancing Regionalisation and 50 Year Master Plan.

Initiatives 1, 2 and 3 are linked to the commercialisation of the "Big 3" plants namely Welgedacht, Waterval and Olifantsfontein. An operational plan for the various business units

will support the implementation of the strategic initiatives. Within the plan are also activities in support of business-as-usual (BAU).

1.6.6 Commercial business

The marketing penetration strategy is key to the department and focuses on increasing the sales of existing products and services in current markets by capturing a larger market share, attracting new customers, and engaging existing customers. ERWAT is mainly funded by the tariff for services that it renders to the shareholders and operates on a non-profit basis. The funding resources, capability and goals for research and development are limited. The implication is that ERWAT now focusses on a market penetration strategy, which has the advantage that it requires less investment and carries lower risks than market development. Deriving growth is achieved by leveraging off existing markets and customer base and through improving operational efficiencies to service more customers. The downside, is that the market penetration may not guarantee sustained long-term growth every time. Here targeted marketing, sales promotions, product improvements, pricing strategies are important to differentiate ERWAT from competitors.
The key objective of ERWAT's Commercial Business Department is to create long-term value for the Company, from customers, markets, and build relationships by generating an incremental sundry income over a specified period and beyond.

ERWAT will identify its products, capacitate, develop Unique Selling points, position brand and products, establish customer relationships, contract to meet customer needs, price competitively yet profitably, consult to customers, source product, and facilitate solutions in order to build and operate business in the areas of consulting, sourcing, facilitation and maintenance and plant operation within the Water Sector, thereby generating brand equity and value-addition to achieve R 34.32 million sales, contributing to the achievement of the Companies Corporate Objectives.

In essence, the Commercial Business Department will grow Revenue in the Water Sector by balancing market demand with productive capacity, specifically in the areas of Consulting, Sourcing, and Facilitation. The market penetration will focus initially on organic growth (existing products to existing customers) and later on new products, new customers, and new geographical areas.

THE PRODUCT/SERVICES PORTFOLIO (TANGIBLE PRODUCTS AND NON-TANGIBLE SERVICE

The Product Portfolio includes two main categories, being:

1. Consulting
2. Sourcing/ Facilitation

1.6.7 Consulting

1. Management and Operation of Plants
2. Water quality Analysis
3. Legislative compliance
4. Blue-Drop and Green Drop advice and implementation plan
5. Effluent monitoring
6. Process water / Leachate / Potable Water
7. Plant operational training / In-service training
8. Pollution / risk surveys
9. Sludge disposal options advise
10. Laboratory management
11. Drafting and Implementation of Municipal By-Laws and Tariff Formula

1.6.8 Sourcing and Facilitation

The approach shall be to source all expertise *internally* within other Departments where it is commercially feasible to do so, thereafter to source externally from *strategic* partners *outside*.

The department shall provide an expert and competent specialized Sourcing service to Clients. The Value Proposition is to *provide turnkey solutions to clients* through obtaining the range of appropriate services needed to complete all aspects of the required solution. (One stop shop).

In doing so we charge a time-based fee for such services, and a percentage of the price of any solutions purchased/sourced from third parties, by means of an intermediary arrangement.

1.6.9 Capacity to treat wastewater

ERWAT's infrastructure is inadequate to meet wastewater treatment requirements leading to environmental pollution caused by ageing infrastructure and inadequacy of funding to expand and upgrade the various Water care works as per the 50 year Masterplan and regionalisation plan.

SECTION 2: ANALYSIS OF PAST PERFORMANCE

2.1 Analysis of previous term performance

This section must outline the service delivery backlogs and previous term performance since **2011** against those backlogs. The status of backlogs must be indicated. The table below provides an indication how the information must be provided.

Table 1: Assessment of Past SDBIP Performance (Quarter 2 in 2023/2024)

LEVEL OF PLANNING	OUTCOME	INDICATORS	Q2 TARGET 2023/2024	Q2 PERFORMANCE 2023/24	COMMENTS
Direct Outcome	Improved Quality of water (including wastewater)	Percentage of wastewater treatment capacity unused	-50%	-47%	Achieved
Direct Outcome	Improved Quality of water (including wastewater)	Total revenue generated from external business	R 9.0 million	R8.083 million	Not achieved
Direct Outcome	To build a clean, Capable and Modernised Local State	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Achieved
Direct Outcome	Improved Quality of water (including wastewater)	Percentage compliance with wastewater treatment works license conditions and/or exemptions standards.	75%	83%	Achieved
Direct Outcome	To build a clean, Capable and Modernised Local State	Percentage of Capital Expenditure Budget Spent on Planned Projects	60%	40.08%	Not Achieved
Output	Improved Quality of water (including wastewater)	Percentage of repairs and maintenance budget spent	50%	25.17%	Not Achieved
Output	Improved Quality of water (including wastewater)	Support SMME's through ensuring appropriate application of preferential procurement practices	45%	96%	Achieved
Output	To build a clean, Capable and Modernised Local State)	Reduction in the number of repeat audit findings within the approved available budget.	0 Number of Repeat Audit Findings	4 Number of Repeat Audit Findings	Not Achieved

LEVEL OF PLANNING	OUTCOME	INDICATORS	Q2 TARGET 2023/2024	Q2 PERFORMANCE 2023/24	COMMENTS
Output	Financial management	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	4%	72%	Achieved
Output	Financial management	Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	40%	37.41 %	Not Achieved
Output	Financial management	Repairs and Maintenance as a percentage of property, plant, equipment and investment property	2%	3.2%	Achieved
Output	Financial management	Percentage of tender cancellations	10%	44%	Not achieved

2.2 CITY-WIDE SDBIP

KPI 1 – City-wide
Percentage of wastewater treatment capacity unused

Method of measure
The percentage of wastewater treatment capacity unused. Sewer treatment capacity refers to the maximum amount of sewage that a facility is allowed to treat or to direct to a particular reuse or effluent disposal system. This refers to the collective available design capacity of all facilities servicing the municipal area. 'Available design capacity' refers to the overall design capacity that is available on a daily basis. If part of the treatment facility requires refurbishment or is not in operation this should be excluded from 'available design capacity'.

Evidence
Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system (19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity (available capacity) per WCW for the ERWAT system (total of 19 WCW).

Q3 Target
-50%

Q3 Actual
-55%

Comment
The target has not been met. The net difference between the target and actual is a negative variance of 5%.

Reasons for variance
Water Care Works received increased flows due to significant storm water ingress into the sewer lines (heavy rainfall).

Remedial actions
The implementation of the capacity upgrade or extension is subject to the availability of funds. The currently allocated MTREF does not have provision for any Capacity Upgrade or Extension projects, ERWAT require additional funding on the current allocations.

2.3 DEPARTMENTAL SDBIP

KPI 2 – Departmental SDBIP
Total revenue generated from external business.

Method of measure
Increased Commercial Business revenue generated from commercial sources (Absolute Rand Value per quarter). The indicator target is measured across the Quarters Revenue generated from: External Income (none NDA).

Evidence
Invoices - (The invoices to be coupled with general ledger with a balance that agree to the amount reported for SDBIP purposes)

Q3 Target
R 7 500 000

Q3 Actual
R7 992 680.92

Comment:
The target for the third quarter of R7 500 000.00 in external revenue was achieved with a positive variance of R492 680.92

Reason for variance
The target was achieved because existing projects were maintained.

Remedial action
Target was achieved and the focus is to maintain current projects and prevent attrition.

KPI 3 – Departmental SDBIP
Audit Opinion

Method of measure
The Audit Opinion is defined by the Auditor General. It is given across a qualitative, ordinal scale including Unqualified with no findings; Unqualified with findings; Qualified with findings; Adverse with findings; and disclaimed with findings. For those who have not completed the process 'Outstanding audits' are recorded.

Evidence
Dated and signed Audit report from Auditor General South Africa (AGSA).

Q3 Target
N/A

Q3 Actual
N/A

Comment:
N/A

Reason for variance
N/A

Remedial action
N/A

KPI 4 – Departmental SDBIP

Percentage compliance with wastewater treatment works license conditions and/or exemptions standards

Method of measure

The indicator measures the compliance of wastewater works effluent to the requirements of biological and chemical indicators as per the water use license granted by the Regulator. It is calculated by dividing the number of determinants complying to the Water Use Authorization with the total number of determinants.

Evidence

Water quality analyses of each Wastewater Treatment Works (from the LIMS) is downloaded. Spreadsheet used to calculate average compliance of each of the 3 compliance categories and then the average of the 3 categories gives the overall compliance per WCW and then ERWAT system (19 WCW). Applicable Water use authorization limits of each Wastewater Treatment Works.

Q3 Target

75%

Q3 Actual

85%

Comment

KPI Achieved

Reason for variance

The entity achieved the 75% quarterly target by a positive variance of 10%. This was due to the following reasons:

1. Slight increase in availability of critical equipment directly impacting final effluent water quality.
2. Decrease in detectable Industrial pollution incidents.
3. Stormwater ingress during heavy rainfall dilutes the strength of the incoming flows. (Refer hydraulic and organic loading of the WCW)

It is important to take note that although the target was achieved, serious ongoing challenges remain. These challenges are discussed below as well as under Section 3.

The following operational challenges are experienced on an ongoing basis at the WCW operated by ERWAT:

1. Industrial pollution
2. Critical equipment failures
3. Loadshedding/power outages

4. Chemical shortages

1. *Industrial pollution incidents:*

The WCWs (water care works) listed in the Table below received industrial pollution during Quarter 3. The pollution impacts negatively on the biochemical treatment processes, the operation of the Works and subsequently impact the ability of the Works to meet the final effluent compliance levels. The total number of industrial pollution incidents decreased in Q3 as compared to Q2, due to heavy rainfall with increased stormwater ingress into the sewer lines as detailed in the Table below.

(Refer Section 3.4 for further details of organic loading per WCW)

Hartebeestfontein, Olifantsfontein, Esther Park, Ancor, Jan Smuts, Dekema, Rondebult and Heidelberg WCW were heavily impacted by industrial pollution. Even though ERWAT monitor, sample, analyse and report daily to CoE the industrial pollution received at the various WCW it is often too late to track the source once the pollution enters the WCW due to the vast sewer networks.

It should also be noted that even though some of the WCW listed in the Table met the final effluent compliance target, they are still negatively impacted by industrial pollution on specific days.

WCW	Number Of Industrial Pollution Incidents during Q3	Number Of Industrial Pollution Incidents during Q2
Olifantsfontein	20	38
Hartebeestfontein	37	79
Benoni	2	0
Rynfield	1	0
Esther Park	15	38
Ancor	18	41
Daveyton	3	8
JP Marais	3	2
Jan Smuts	8	10
Welgedacht	0	1
Heidelberg	28	49
Carl Grundling	0	1
Tsakane	4	13
Herbert Bickley	6	36
Dekema	0	15
Rondebult	12	26
Vlakplaats	2	10
Total incidents	**159**	**320**

2. *Critical equipment failures*

The following WCWs experienced critical equipment failures impacting directly on the effluent compliance. The critical equipment failures are expressed as a % of the number of duty critical equipment failures over the reporting period divided by the total number of duty critical equipment that directly impacts final effluent water quality.

WCW	% of critical equipment not available Q3 2023/2024	% of critical equipment not available Q2 2023/2024
Ancor	4%	4%
Benoni	26%	36%
Carl Grundlingh	12%	0%
Daveyton	7%	2%
Dekema	11%	19%
Esther Park	17%	39%
Hartebeestfontein	18%	19%
Heidelberg	4%	7%
Herbert Bickley	9%	7%
Jan Smuts	7%	0%
JP Marais	0%	9%
Olifantsfontein	1%	3%
Ratanda	11%	9%
Rondebult	13%	10%
Rynfield	51%	41%
Tsakane	21%	10%
Vlakplaats	4%	6%
Waterval	1%	3%
Welgedacht	10%	13%
Average of 19 WCW	**11.95%** **8 deteriorated, 9 improved and 1 remained the same.**	**12.47%** **7 improvements, 3 remained the same and 9 deteriorated.**

It should be noted that several critical equipment failures were not resolved in previous quarters and the impact on compliance are thereof carried over from quarter to quarter. The progress on restoration of critical equipment is directly proportional to the percentage maintenance expenditure for the quarter, and the progress made on addressing this aspect is fairly represented by the KPI on percentage maintenance expenditure.

3. *Power outages and loadshedding*

The WCWs tabulated below experienced frequent loadshedding and/or power failures during Quarter 3 impacting the compliance of the WCWs directly. It must be noted that the impact of loadshedding during ESKOM stages 4-6 have an increasing detrimental impact on the WCW as the processes don't have sufficient time to recover before the next loadshedding event. It can be noted that in total 3313 hours of loadshedding and power failures were experienced on the WCW for Q3, compared to 2893 hours in Q2. Some of the WCW do not have installed generators at all critical plant processes whilst others are not operational, awaiting repairs.

Plant	Quarter 3 2024					
		cheduled oadshedding	hours otal oadshedding	ower failures	otal hours Power ailures	hours otal ithout power
Benoni	DD3	31	61	0	0	61
Esther Park	DD3	32	69	24	20	89
Hartebeestfontein	DD3	104	204	0	0	204
Olifantsfontein	DD3	0	0	1	1	1
Rynfield	DD3	132	211	3	34	245
Ancor	DD4	25	51	3	29	80
Daveyton	DD4	97	198	3	8	206
Jan Smuts	DD4	114	230	4	27	257
JP Marais	DD4	117	232	15	51	283
Welgedacht	DD4	0	0	50	249	249
Herbert Bickley	DD5	24	48	0	0	48
Heidelberg	DD5	108	220	15	54	274
Tsakane	DD5	125	244	0	0	244
Ratanda	DD5	119	243	12	67	310
Carl Grundlingh	DD5	0	0	2	6	6
Dekema	DD6	128	269	0	0	269
Rondebult	DD6	28	56	6	119	175
Vlakplaats	DD6	95	193	5	119	312
Waterval	DD6	0	0	0	0	0
Total		Loadshedding hours	2529	Power failure hours	784	
Total number of hours without electricity on all Water Care Works for Q3						**3313**

Critical chemical shortages

Ferric chloride is used in the treatment process to remove ortho-phosphate from the final effluent as well as improving the settleability of solids in the settling tanks. Due to challenges at the manufacturing plants of the sole producer of the product in Africa and with the suitably qualified transportation, shortages of ferric chloride are experienced from time to time despite placing orders with suppliers timely. These shortages impact directly on the quality of the final effluent at the affected the WCW. The table below provides the days without availability of essential treatment chemicals in the reporting quarter.

WCW	Q3 Ferric chloride shortages (Number of days)	Q2 Ferric chloride shortages (Number of days)
Ancor	26 of 91	4 of 92
Dekema	29 of 91	22 of 92
Rondebult	7 of 91	7 of 92
Vlakplaats	9 of 91	19 of 92
Herbert Bickley	0 of 91	15 of 92
Hartebeestfontein	38 of 91	21 of 92
Rynfield	22 of 91	8 of 92
Jan Smuts	9 of 91	0 of 92
Avg. number of days without Ferric chloride	**20**	**13.7**

Action plans:

1. **Industrial pollution incidents**

ERWAT works closely with the CoE and report all incidents as soon as detected to assist in tracing the source of the pollution. However, the pollution source is not often identified as it is difficult to trace in the vast sewer networks. Illegal tanker discharges were however identified to be one of the primary sources of pollution. Subsequently, some of the authorised open manholes used by tanker services were closed by the COE to tighten supervision, but more interventions are required. Fingerprinting of the pollution by the ERWAT Laboratory is a valuable tool to assist CoE in identifying the industrial pollution sources and to apply the By-Laws. ERWAT has also introduced an organic tariff formula, included in the Service Delivery Agreement whereby the CoE will be invoiced for increased organic content (strength) beyond the capabilities of the relevant WCW.

2. **Critical equipment failures**

Asset Care plans for critical equipment were developed but only partially implemented. Breakdowns still occur frequently, and the number of outstanding jobs for critical equipment is significant, impacting the final effluent quality directly. OPEX funds are urgently required to implement the full asset care plans and reduce the failure rate and improve reliability. A joint task team (comprising of Operations, Maintenance, Finance, Strategy, Monitoring & Evaluation, Infrastructure Planning and Projects Departments and Office of the Managing Director) has been established (effective from Q2) to closely monitor progress implementation of outstanding critical maintenance work and improve the internal business processes. Some progress has been made during Q3 to restore critical equipment on various WCW, including the standby diesel generators, however, a significant backlog remains.

3. **Power outages and Loadshedding**

Short to medium term: Standby diesel generators are available at some of the most critical process units of the various WCW. Several new generators to cover more critical process units were installed in Q3 and are now functional. The remainder will be installed in Q4. Long term: ERWAT has applied for funding to DBSA and IDC to install renewable energy at some of the identified WCW. Awaiting outcome of the application in Q4.

4. Chemical shortages (Ferric chloride)

ERWAT is in daily contact with the supplier to secure product and prioritise deliveries according to the stock levels of the various WCW. ERWAT is currently busy with the procurement process for alternative chemicals to mitigate any future shortages.

KPI 5 – Departmental SDBIP

Total capital expenditure as a percentage of total capital budget

Method of measure:

This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year. Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment.

Formula: 1) Actual Capital Expenditure /(2) Budgeted Capital Expenditure

Evidence

Dated and signed Finance year to date expenditure report

Q3 Target

80%

Q3 Actual

56.13%

Reasons for variance

The planned SDBIP target for the quarter has not been achieved with a 23.87% negative variance. Amongst others, below are the reasons for the poor performance in expenditure.

- Long lead time on delivery of the equipment, such as supply and installation of Generators for an emergency backup power for the Water Care Works.

Remedial action:

- Accelerate project timelines.
- Schedule compression

KPI – 6 Department SDBIP
Percentage of procurement spend allocated to SMME's

Method of measure
The indicator measures the percentage of procurement spend allocated to SMME's through ensuring appropriate application of the preferential procurement practices. This support will be calculated aa a percentage of the total value paid to Small, Medium and Micro Enterprises either directly or via the principal contractor in terms of a Preferential Procurement Regulation 4 or 9 contractual condition.

Indicator Formula: (1) rand value of procurement spend allocated to SMME's / (2) rand value of total procurement spend *100.

Evidence
Award and payment listing (Report) of SMME expenditure amount (including invoices).

Q3 Target
60%

Q3 Actual
95%

Comments
Target achieved.

Reason for variance
Target exceeded by 35%, because of measures put in place at specification stage to prioritise SMME's.

Remedial action
Not applicable, target was achieved.

KPI 7 – Departmental SDBIP
Number of Repeat Audit Findings

Method of measure:
The indicator tracks the number of findings made on the same matter as of the last audit cycle. The "Repeat" findings refer to those findings that have persisted from one year of reporting to the next. These are identified as repeat findings by the Auditor-General on the following administrative areas including but not limited to: i) Annual financial statements and annual report.

The formula for the indicator is the (1) Simple count of the number of "repeat" findings itemized in the Auditor-General's report of each municipality.

Evidence
Dated and signed Audit report from Auditor General South Africa (AGSA).

Q3 Target
N/A

Q3 Actual
N/A

Comment:
N/A

Reason for variance
N/A

Remedial action
N/A

KPI 8 – Departmental SDBIP
Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)

Method of measure:
The indicator measures the number of wastewater treatment works that achieved the Green Drop standard bi quarterly. (90%) Internal assessment is conducted by ERWAT Compliance Office (internal assessment.)

A further determination will be made on the impact or deviation of the treatment capacity caused by loadshedding incidences in the following manner:

Calculate and totalise the energy consumption and impacted treatment capacity for the process units at each of the water care works under ERWAT. The deviation is determined by expressing the impacted treatment capacity as a percentage of the total capacity.

Extrapolate the deviation (i.e. impacted treatment capacity) to the standard Green Drop Score of 90% by multiplying the deviation with the 90% standard score requirement for Green Drop Status

Evidence
The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. Assessment

Q3 Target
6(90%)

Q3 Actual
N/A

Comment:
N/A

Reasons for variance
N/A

Remedial actions:
N/A

KPI 9 – Departmental SDBIP

Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area

Method of measure:

This indicator measures the value of municipal operating expenditure that has been spent on payments to contracted organisations with a physical address within the municipal area as a percentage of the total operating expenditure on payments to all contracted organisations. Contracted services are inclusive of consultancy services and refer to services rendered by any entity outside of the municipality secured through a public procurement process.

Indicator Formula: (1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure on contracted services. The indicator is reported quarterly.

Evidence

Signed Expenditure report on municipal operating expenditure spent on contracted services.

Q3 Target

6%

Q3 Actual

66%

Comment:

Target Achieved

Reasons for variance

A total operating expenditure value of R35 840 242.18 was paid on contracted services (all active contracts that were awarded through the public procurement process) whereof R23 811 292.75 were paid to contracted services within the municipal area (COE).

Remedial actions

Not applicable, target was achieved.

KPI 10 – Departmental SDBIP

Total Operating Expenditure as a percentage **of Total Operating Expenditure Budget**

Method of measure:

The indicator measures the extent to which operating expenditure has been spent during the financial year. Operating Expenditure (non-capital spending) is costs which the municipality incurs through its

normal operations. Indicator Formula: (1) Actual Operating Expenditure / (2) Budgeted Operating Expenditure This indicator results will be reported quarterly.

Evidence

Signed Excel spreadsheet as extracted from Budget statements for the period.

Q3 Target

70%

Q3 Actual

55.92%

Comment:

Target not achieved with a negative 14.08% variance.

Reasons for variance

Under expenditure on employee costs, repairs and maintenance, bulk purchases and general expenditure

Remedial actions:

Employee costs:

Acceleration of the filling of vacant positions as per the recruitment plan in the fourth quarter.

Repairs and maintenance

Acceleration of the supply chain management processes to resolve delays experienced in the procurement process.

Bulk purchases:

Acceleration of the supply chain management processes to put relevant contracts in place for alternative chemicals (e.g. Aluminium Suplhate) to reduce delays in the procurement of essential chemicals. While Loadshedding also has a significant impact on the ability to spend the electricity budget allocation, fuel costs to power the generators has increased but not to the same extent of electricity budget.

General expenditure:

Acceleration of the procurement of protective clothing and the appointment of a service provider for the transport of bio-solids.

KPI 11 – Departmental SDBIP

Irregular, Fruitless and Wasteful, Unauthorised **Expenditure as a percentage of Total Operating Expenditure**

Method of measure:

The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure is incurred by the municipality in contravention of a requirement of the law. Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget.

Indicator Formula: ((1) Irregular + (2) Fruitless and Wasteful + (3) Unauthorised Expenditure) / (4) Total Operating Expenditure.

The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end.

Evidence

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period.

Q3 Target

0%

Q3 Actual

67%

Comment:

Target not achieved.

Reasons for variance

AG identified transactions that were deemed as splitting of the procurement processes and not evaluated in line with the PPPFA Regulations of 2022. Other expenditure incurred is as a result of prior year findings raised by the AG on non-compliance matters.

Remedial actions:

Implemented a UIFW reduction plan to reduce irregular expenditure through enhancement of internal controls, delegations and authorisations. Finalising the GAP analysis process that takes into account the findings raised during internal and external audit processes.

KPI 12 – Departmental SDBIP

Repairs and Maintenance as a percentage of property, plant, equipment and investment property

Method of measure:

This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets relative to its asset base. Repairs and maintenance are a group of accounts consisting of labour costs, material costs, secondary costs, etc.

Evidence

The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period

Q3 Target

N/A

Q3 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions

N/A

KPI 13 – Departmental SDBIP
Percentage of tender cancellations

Method of measure:
This indicator measures the percentage of tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.

Indicator Formula: (1) Number of tenders cancelled / (2) Total number of tenders advertised and closed. The indicator is reported quarterly.

Evidence
Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.

Q3 Target
10%

Q3 Actual
0%

Comment:
Target achieved.

Reasons for variance
Actual achievement of 0% is the ideal and well within the stipulated target.

Remedial actions:
Not applicable, target was achieved

KPI 14 – Departmental SDBIP
Net Surplus /Deficit Margin for Wastewater

Method of measure:
Wastewater is measured separately to track the extent to which the municipality generates surplus or deficit. Total expenditure, in this context, refers to direct costs, overheard costs and capital financing costs incurred in providing wastewater and sanitation services. Direct costs include employee related costs, bulk purchases, repairs and maintenance, contracted services, debt impairment, depreciation and other costs not grouped under the above-mentioned categories. Overheard costs, also referred to as indirect costs, are costs that are not directly attributable to a service but are incurred in running a municipality, for example office space or computer software and all charges or recoveries. Capital financing costs are costs associated with financing infrastructure expansion or rehabilitation of existing assets, for example interest and redemption charges.

The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end.

Evidence
The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period.

Q3 Target
5%

Q3 Actual
12.05%

Comment:
Target achieved with a positive variance of 7.05%

Reasons for variance
The achievement of the total revenue generated from external business indicator, as well as the increase of the budget in the third quarter (which resulted in under-expenditure of the budget) both contributed to the positive variance.

Remedial actions:
Not applicable, target was achieved.

SECTION 3: DEPARTMENTAL (ENTITY) STRATEGIC FOCUS AREAS

3.1 DEPARTMENTAL 5 YEAR PLAN (2022 - 2026) [IDP SCORE CARD]

This section outlines the Key Performance Areas (KPAs) of the department for the current term (2022 - 2026). The Key Performance Areas of the department must be aligned with the Growth and Development Strategy (GDS 2055). It should reflect how departments contribute to the GDS in respect of the Outcomes, programmes and sub-programmes. Furthermore, the KPAs must indicates how they address the Mayoral Priorities for the term. Key Performance Indicators must be developed for the KPAs together with the 5-year measurable targets. Furthermore, the MFMA requires an explanation of how the Departmental SDBIP relates to the Integrated Development Plan (IDP) and Metro Wide Service Delivery Budget Implementation Plan. The table below must be populated with the information as discussed above:

This section presents the entity's strategic focus area for the term based on scanning/ analysis of the economic environment, responding to the DGS and Mayoral Lekgotla priorities in the main.

Department need to outline what the focus will be in the new term. Demonstrate how they align and contribute to the GDS, Mayoral priorities relevant to the department.

Pleas provide a narrative before populating the indicator matrix table
80/20 principle, 80 is business as usual and 20% is strategic interventions for the term

BUSINESS AS USUAL	KEY STRATEGIC INTERVETION INTERVENTIONS
Improve Environmental Governance	Develop, Implement, and enforce by laws of carbon reduction.

TABLE 1: ALIGNMENT OF DEPARTMENTAL KEY PERFORMANCE AREAS TO STRATEGIC PRIORITIES (IDP) IDP SCORECARD

IDP Strategic Objective	Department	Outcome	Ref No.	IDP Performance Indicator (Outcomes)	Baseline (estimated Annual Performance (2021/2022)	5-year target	Target for 2022/2023 (MTREF)	Target for 2023/2024 (MTREF)	Target for 2024/2025 (MTREF)	Target for 2025/2026 (MTREF)	Target for 2026/2027 (MTREF)	Indicator Definition	Portfolio of Evidence
National Prescribed Indicators													
	ERWAT	Improved Quality of water (including wastewater	WS 4.2	Percentage of wastewater samples compliant to water use license conditions	90%	*75%	77.5%	75%	85%	89%	90%	This indicator measures the percentage of Wastewater Quality Compliance to specified licence/permit/authorisation requirements tested during the municipal financial year. The percentage is calculated on the basis of aggregated results per Water Use License determinant. The indicator formula is: ((1) Number of wastewater samples tested per determinant that meet compliance to specified water use license requirements / (2) Total wastewater samples tested for all determinants over the municipal financial year)	Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the original or re-graded design hydraulic capacity

IDP Strategic Objective	Department	Outcome	Ref No.	IDP Performance Indicator (Outcomes)	Baseline (estimated Annual Performance (2021/2022)	5-year target	Target for 2022/2023 (MTREF)	Target for 2023/2024 (MTREF)	Target for 2024/2025 (MTREF)	Target for 2025/2026 (MTREF)	Target for 2026/2027 (MTREF)	Indicator Definition	Portfolio of Evidence
													(available capacity) per WCW for the ERWAT system (total of 19 WCW
GDS Thematic Area: Re-Generate to Achieve Environmental Well-Being IDP Strategic Objective 4: To Protect the Natural Environment and Promote Resource Sustainability	ERWAT	Improved quality of water including wastewater	6.M	Number of wastewater treatment works with a Green Drop Score of 90% (measured internally by ERWAT, bi-quarterly)		6	6	6	6	8	12	The indicator measures the number of wastewater treatment works that achieved the Green Drop standard score of 90% through the assessment conducted by ERWAT Compliance Office (internal assessment.) A further determination will be made on the impact or deviation of the treatment capacity caused by loadshedding incidences in the following manner: Calculate and totalise the energy consumption and impacted treatment capacity for the process units at each of the water care works under ERWAT. The deviation is determined by expressing the impacted treatment	The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. assessment

IDP Strategic Objective	Department	Outcome	Ref No.	IDP Performance Indicator (Outcomes)	Baseline (estimated Annual Performance (2021/2022)	5-year target	Target for 2022/2023 (MTREF)	Target for 2023/2024 (MTREF)	Target for 2024/2025 (MTREF)	Target for 2025/2026 (MTREF)	Target for 2026/2027 (MTREF)	Indicator Definition	Portfolio of Evidence
												capacity as a percentage of the total capacity. Extrapolate the deviation (i.e. impacted treatment capacity) to the standard Green Drop Score of 90% by multiplying the deviation with the 90% standard score requirement for Green Drop Status	
To build a clean, Capable and Modernised Local State	ERWAT	To build a clean, Capable and Modernised Local State	ERW 1.2	Audit Opinion	**Unqualified Audit Opinion 2022/2023**	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	Unqualified Audit Opinion	The Audit Opinion is defined by the Auditor General. It is given across a qualitative, ordinal scale including: Unqualified with no findings; Unqualified with findings; Qualified with findings; Adverse with findings; and Disclaimed with findings. For those who have not completed the process 'Outstanding audits' are recorded.	Dated and signed Audit report from AGSA

*Reasons for reduced target of 75%:

1. Due to intense industrial pollution, increase and ongoing rolling load shedding, and associated increase in critical equipment failures the previous Water Quality compliance target of 80% was unattainable and therefore the compliance target was further reduced to 75% (Adjusted downwards as Per Board Decision).

TABLE 2: ALIGNMENT OF DEPARTMENTAL KEY PERFORMANCE AREAS TO STRATEGIC PRIORITIES – CITY WIDE SCORECARD FOR 2024/2025

INFRASTRUCTURE SERVICES CLUSTER															
Department	**Outcome**	**Ref: No**	**Performance Indicator**	**Baseline (2022/2023) (Annual report Audited)**	**Annual Target (2024/2025)**	**Target for 2023/24 SDBIP per Quarter**				**Resources Allocated for 2023/2024 SDBIP per Quarter**				**Total Budget allocated**	**Indicator Definition**	**Portfolio of Evidence**
						Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30			
ERWAT	Improved quality of water (incl. wastewater)	WS4.31	Percentage of wastewater treatment capacity unused	-42%	-50%	-50%	-50%	-50%	-50%	CAPEX	CAPEX	CAPEX	CAPEX	CAPEX	The percentage of wastewater treatment capacity unused. Sewer treatment capacity refers to the maximum amount of sewage that a facility is allowed to treat or to direct to a particular reuse or effluent disposal system. This refers to the collective available design capacity of all facilities servicing the municipal area. 'Available design capacity' refers to the overall design capacity that is available on a daily basis. If part of the treatment facility requires refurbishment or is not in operation this should be	Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS (Laboratory Information Management System), in conjunction with the

INFRASTRUCTURE SERVICES CLUSTER														
Department	**Outcome**	**Ref: No**	**Performance Indicator**	**Baseline (2022/2023)** (Annual report Audited)	**Annual Target (2024/2025)**	**Target for 2023/24 SDBIP per Quarter**				**Resources Allocated for 2023/2024 SDBIP per Quarter**				**Total Budget allocated**	**Indicator Definition**	**Portfolio of Evidence**
															excluded from 'available design capacity'. Formula: [1 - ((1) Total volume of wastewater treated over the last year / ((2) Daily wastewater treatment plant available design capacity x 365))]	original or re-graded design hydraulic capacity (available capcity) per WCW for the ERWAT system (total of 19 WCW) .

SECTION 4: DEPARTMENTAL SDBIP 2024 / 2025

4.1 DEPARTMENTAL SDBIP FOR 2024/2025

This section should be comprehensively reviewed to reflect the operations of the department and the alignment of these to the SDBIP and IDP. It should also focus on the programmes and projects of the departments which are in many instances operational. These must be captured by providing clear indicators, annual targets, and quarterly targets for 2023/2024; the indicators contained here must cover all the operational functions of the department in each division/section. Departments are furthermore required to capture cost related to each KPI as implemented per project; in other words, the departmental score cards KPIs must be costed in line with the MTREF.

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
National Prescribed Indicators															
IDP Strategic Objective 2: To Build a Clean, Capable and Modernised Local State															
Improved Quality of water (including wastewater)	ERW1.1	Total revenue generated from external business	R39 837 478,83	R34 320 000.00	R7.7million	R9.9million	R8.25 million	R8.47 million	Opex	Opex	Opex	Opex	Opex	The indicator measures the R-value of revenue generated from external business. Formula: 1) R-Value of revenue generated from external business	Invoices coupled with general ledger with a balance that agree to the amount reported
To build a clean, Capable and Modernised Local State	ERW1.2	Audit Opinion	Unqualified	Unqualified Audit Opinion	N/A	Unqualified	N/A	N/A	OPEX	OPEX	OPEX	OPEX	OPEX	The Auditor-General defines the Audit Opinion. It is given across a qualitative, ordinal scale including unqualified with no findings; Unqualified with findings; Qualified with findings; Adverse with findings; and Disclaimed with findings. For	Dated and signed Audit report from AGSA

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
														those who have not completed the process 'Outstanding audits' are recorded. Formula: 1) Audit Opinion as expressed by the AG	
IDP Strategic Objective 4: To protect the natural environment and promote resource sustainability															
Improved Quality of water (including wastewater)	ER W1.3	Percentage compliance with wastewater treatment works license conditions and/or exemptions standards	81%	75%	75%	75%	75%	75%	OPEX	OPEX	OPEX	OPEX	OPEX	The indicator measures the compliance of wastewater works effluent to the requirements of biological and chemical indicators as per the water use license granted by the Regulator. The Annual target is an average figure across the quarters. Formula: 1) Number of determinants complying with Water Use Authorization/ (2) Number of determinants X100	Water quality analyses results of each Wastewater Treatment Works (from the LIMS) is downloaded. Spreadsheet is used to calculate average compliance of each of the 3 compliance categories and then the average of the 3 categories gives the over all compliance per WCW and then per ERWAT system(19 WCW). Applicable Water use authorization limits of each Wastewater Treatment Works
IDP Strategic Objective 2: To build a clean, capable and modernized local state															

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
Improved Quality of Water including Wastewater	FM 1.11	Total Capital expenditure as a percentage of total capital budget	99.56% (2021/2022)	95%	15%	35%	70%	95%	CAPEX	CAPEX	CAPEX	CAPEX	CAPEX	This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year. Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment. Formula: 1) Actual Capital Expenditure /(2) Budgeted Capital Expenditure X100	Dated and signed Finance year to date expenditure report
Improved Quality of Water including Wastewater	3.M	Percentage of procurement spend allocated to SMME's	91.4%	60%	60%	60%	60%	60%	OPEX /CAPEX	OPEX /CAPEX	OPEX /CAPEX	OPEX /CAPEX	OPEX /CAPEX	The indicator measures the percentage of procurement spend allocated to SMME's through ensuring appropriate application of the preferential procurement practices. This support will be calculated aa a percentage of the total value paid to Small, Medium and Micro Enterprises either directly or via the principal contractor in terms of a Preferential Procurement Regulation 4 or 9 contractual condition. The indicator formula is (1) rand value of procurement spend allocated to SMME's / (2) rand value of total procurement spend *100	Dated and signed Letter of appointment or subcontract with support (contract) amount Award AND Listing (Register) of SMME supported with support amount
Improved Quality of Water including	4.M	Number of Repeat Audit Findings	8 repeat audit findings noted in the	0 repeat audit findings noted in the	N/A	0	N/A	N/A	OPEX	OPEX	OPEX	OPEX	OPEX	The indicator tracks the number of findings made on the same matter as of the last audit cycle. The "Repeat" findings refer to those findings that have persisted from one year of reporting to the next. These are	AGSA signed management letter

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
Wastewater			AGSA signed management letter for the 2021/2022 regularity audit	AGSA signed management letter for the 2022/2023 regularity audit										identified as repeat findings by the Auditor-General on the following administrative areas including but not limited to: i) Annual financial statements and annual report. The formula for the indicator is the (1) Simple count of the number of "repeat" findings itemized in the Auditor-General's report of each municipality. The indicator measures the number of wastewater treatment works that achieved the Green Drop standard bi quartely.(90%) Internal assessment is conducted by	
Improved quality of water including wastewater	6.M	Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)	New KPI	6 (90%)	N/A	6 (90%)	N/A	6 (90%)	OPEX	OPEX	OPEX	OPEX	OPEX	The indicator measures the number of wastewater treatment works that achieved the Green Drop standard bi quarterly. (90%) conducted by ERWAT Compliance Office (internal assessment.) A further determination will be made on the impact or deviation of the treatment capacity caused by loadshedding incidences in the following manner: Calculate and totalise the energy consumption and impacted treatment capacity for the process units at each of the water care works under ERWAT. The deviation is determined by expressing the impacted treatment capacity as a percentage of the total capacity.	The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. assessment

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
														Extrapolate the deviation (i.e. impacted treatment capacity) to the standard Green Drop Score of 90% by multiplying the deviation with the 90% standard score requirement for Green Drop Status	
Financial Management	LED 1.11	Percentage of total municipal operating expenditure spent on contracted services physically residing within the municipal area	New KPI	8%	2%	4%	6%	8%	OPEX	OPEX	OPEX	OPEX	OPEX	This indicator measures the value of municipal operating expenditure that has been spent on payments to contracted organisations with a physical address within the municipal area as a percentage of the total operating expenditure on payments to all contracted organisations. Contracted services are inclusive of consultancy services, and refer to services rendered by any entity outside of the municipality secured through a public procurement process. Indicator Formula: (1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure on contracted services. The indicator is reported quarterly.	Signed Expenditure report on municipal operating expenditure spent on contracted services
Financial Management	FM1.12	Total Operating Expenditure as a percentage of Total Operating	New KPI	95%	20%	40%	70%	95%	OPEX	OPEX	OPEX	OPEX	OPEX	The indicator measures the extent to which operating expenditure has been spent during the financial year. Operating Expenditure (non-capital spending) is costs which the municipality incurs through its normal operations. Indicator Formula: (1) Actual Operating	Signed Excel spreadsheet as extracted from Budget statements for the period

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
		Expenditure Budget												Expenditure / (2) Budgeted Operating Expenditure This indicator results will be reported quarterly.	
Financial Management	FM4.11	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	New KPI	0%	N/A	N/A	0%	N/A	OPEX	OPEX	OPEX	OPEX	OPEX	The indicator measures the extent to which the municipality has incurred irregular, fruitless and wasteful and unauthorised expenditure. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised. Irregular expenditure is incurred by the municipality in contravention of a requirement of the law. Unauthorized expenditure includes overspending of the total amount appropriated in the approved budget. Indicator Formula: ((1) Irregular + (2) Fruitless and Wasteful + (3) Unauthorised Expenditure) / (4) Total Operating Expenditure The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end.	The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period,
Financial Management	FM5.31	Repairs and Maintenance as a	New KPI	7%	N/A	N/A	N/A	7%	OPEX	OPEX	OPEX	OPEX	OPEX	This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets	The Audited Annual Financial Statements for the previous

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
		percentage of property, plant, equipment and investment property												relative to its asset base. Repairs and maintenance is a group of accounts consisting of labour costs, material costs, secondary costs and etc.	financial year as finalised in January of the following financial period for the previous financial period,
Financial Management	FM6.13	Percentage of tender cancellations	New KPI	10%	10%	10%	10%	10%	OPEX	OPEX	OPEX	OPEX	OPEX	This indicator measures the percentage of tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed. Indicator Formula: (1) Number of tenders cancelled / (2) Total number of tenders advertised and closed. The indicator is reported quarterly.	Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that was recorded, advertised and closed.
Improved revenue and debtors management	FM7.33	Net Surplus /Deficit Margin for Wastewater	New KPI	5%	N/A	N/A	5%	N/A	OPEX	OPEX	OPEX	OPEX	OPEX	Wastewater is measured separately to track the extent to which the municipality generates surplus or deficit. Total expenditure, in this context, refers to direct costs, overheard costs and capital financing costs incurred in providing wastewater and sanitation services. Direct costs include employee related costs, bulk purchases, repairs and maintenance, contracted services, debt impairment, depreciation and other costs not grouped under the above-mentioned categories. Overheard costs, also referred to as indirect costs, are costs that are not directly attributable to a service but are incurred in	The Audited Annual Financial Statements for the previous financial year as finalised in January of the following financial period for the previous financial period,

Outcome	Ref: No	Performance Indicator	Baseline (2022/2023) (Annual Report Audited)	Annual Target (2024/2025)	Target for 2024/25 SDBIP per Quarter				Resources Allocated for 2024/2025 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 29 and 30	Q2 Planned Budget as Table SA 25, 29 and 30	Q3 Planned Budget as Table SA 25, 29 and 30	Q4 Planned Budget as Table SA 25, 29 and 30	Total Budget allocated		
														running a municipality as a whole, for example office space or computer software and all charges or recoveries. Capital financing costs are costs associated with financing infrastructure expansion or rehabilitation of existing assets, for example interest and redemption charges. The Audited Annual Financial Statements for the previous financial year are finalised in January of the following financial period for the previous financial period, therefore this indicator will be reported annually in the Q3 of the following financial year for the previous financial year-end.	

COMPLIANCE INDICATORS

The following indicators are for planning and reporting for compliance purposes. No target setting is required for these indicators.

	Reference Number	Department	Compliance indicators	Indicator Rationale	Indicator Definition
1.	C26 (GG)	ERWAT	R-value of all tenders awarded	The indicator monitors the R-value of tenders awarded by the municipality as an indication of the scale of outsourcing the work of the municipality.	The number of tenders awarded in terms of Section 36 of the MFMA and the Municipal Supply Chain Management Regulations. Section 36 of the MFMA and the Municipal Supply Chain Management Regulations of 2005 permits the Accounting Officer to "dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process". This would typically include urgent and emergency cases, single–source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting.
2.	C27 (GG)	ERWAT	Number of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	The indicator monitors the frequency with which the municipality does not follow normal Supply Chain Management processes in the awarding of tenders. It is also a requirement that such awards are tabled at Council meetings.	The number of tenders awarded in terms of Section 36 of the MFMA and the Municipal Supply Chain Management Regulations. Section 36 of the MFMA and the Municipal Supply Chain Management Regulations of 2005 permits the Accounting Officer to "dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process". This would typically include urgent and emergency cases, single–source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting.
3.	C28 (GG)	ERWAT	R-value of all awards made in terms of Section 36 of the MFMA Municipal Supply Chain Management Regulations	The indicator monitors the R-value of all awards by the municipality which does not follow normal Supply Chain Management processes as an indication of the scale of awards.	The R-value of all tenders awarded in terms of Section 36 of the MFMA and the Municipal Supply Chain Management Regulations. Section 36 of the MFMA and the Municipal Supply Chain Management Regulations of 2005 permits the Accounting Officer to "dispense with the official procurement processes established by the policy and to procure any required goods or services through any convenient process". This would typically include urgent and emergency cases, single–source goods, and any other cases where it is impractical to follow normal SCM process. In the event of such a decision, the accounting officer is required to report this to the next Council meeting

	Reference Number	Department	Compliance indicators	Indicator Rationale	Indicator Definition
4.	C33 (GG)	ERWAT	Number of tenders over R200 000 awarded	This indicator monitors the frequency with which a municipality awards tenders above the value of R200 000. It is indicative of the frequency of tenders of a value above R200 000 are awarded.	The number of tenders over R200 000 awarded. A tender is an invitation to bid for a project. A tender is 'awarded' when the municipality officially selects an individual/company to carry out the work required to complete a project.
5.	C34 (GG)	ERWAT	Number of months the Municipal Managers' / M/D position has been filled (not Acting)	This indicator measures the continuous duration of time the municipality's Municipal Manager / MD position has been filled. Continuity in senior posts is indicative or institutional stability and functional municipal / entity administrations.	The number of continuous months the Municipal Managers' position has been filled (not Acting). A municipal manager (MM) is appointed by council / Board
6.	C35 (GG)	ERWAT	Number of months the Chief Financial Officers' position has been filled (not Acting)	This indicator measures the continuous duration of time the municipality's Chief Financial Officer post has been filled. Continuity in senior posts is indicative or institutional stability and functional municipal administrations.	The number of continuous months the Chief Financial Officers' post has been filled (not Acting). A Chief Financial Officer has the primary responsibility for managing the municipality's finances, including financial planning, management of financial risks, record-keeping, and financial reporting.
7.	C36 (GG)	ERWAT	Number of vacant posts of senior manager	This indicator measures the extent of vacancies in terms of the municipality's/ entity's senior management posts.	The number of vacant posts among senior managers within the municipality. A senior manager is a municipal manager/MD, appointed in terms of section 57 of the Municipal Systems Act, and includes managers directly accountable to a municipal manager/MD appointed in terms of section 56 of the Act.
8.	C37 (GG)	ERWAT	Number of approved posts in the treasury and budget office	This indicator measures the number of approved posts within a municipality's budget and treasury office as an indicator of intended municipal capacity.	The number of approved posts in the treasury and budget office. The Budget and Treasury office is responsible for the managing a municipality's financial resources in an efficient and professional manner while providing support to all departments in order to ensure that all legislation policies and procedures as prescribed by National Treasury are implemented and upheld. An approved job post refers to employment posts that have been developed in relation to the Municipal Structures Act of 1998 and the Municipal Finance Management Act of 2003, and has been approved by the Municipal Manager.
9.	C38 (GG)	ERWAT	Number of filled posts in the treasury and budget office	This indicator measures the number of the municipality's filled posts related to the treasury and budget office as an indicator of municipal capacity	The number of filled posts in the treasury and budget office. The Budget and Treasury office is responsible for the managing a municipality's entity's financial resources in an efficient and professional manner while providing support to all departments in order to ensure that all legislation policies and procedures as prescribed by National Treasury are implemented and upheld.

	Reference Number	Department	Compliance indicators	Indicator Rationale	Indicator Definition
10	C41 (GG)	ERWAT	Number of approved engineer posts in the municipality /entity	This indicator monitors the extent to which a municipality / entity has formally specified engineering posts within its municipal structure. As a specialised and scarce skill, engineers are sought after for their key role in relation to infrastructure development	The number of approved engineering posts. An engineer is a person who designs, builds, or maintains engines, machines, or structures. An approved job post refers to employment posts that have been developed in relation to the Municipal Structures Act of 1998 and the Municipal Finance Management Act of 2003, and has been approved by the Municipal Manager.
11	C42 (GG)	ERWAT	Number of registered engineers employed in approved posts	This indicator monitors the extent to which a municipality / entity has registered engineering capacity in its structure. As a specialised and scarce skill, engineers are sought after for their key role in relation to infrastructure development. Registered engineers have formal professional registration and associated competencies.	The number of registered engineers employed in approved posts. A Registered professional engineer is a person who is registered as a professional engineer with an official organising body. In South Africa, the statutory body for the engineering profession is the Engineering Council of South Africa (ECSA). An approved job post refers to employment posts that have been developed in relation to the Municipal Structures Act of 1998 and the Municipal Finance Management Act of 2003, and has been approved by the Municipal Manager.
12	C43 (GG)	ERWAT	Number of engineers employed in approved posts	This indicator monitors the extent to which a municipality has employed engineering capacity in its municipal structure. As a specialised and scarce skill, engineers are sought after for their key role in relation to infrastructure development.	The number of engineers employed in approved posts. An engineer is a person who designs, builds, or maintains engines, machines, or structures with a formal qualification of a BScEng or BEng. An approved job post refers to employment posts that have been developed in relation to the Municipal Structures Act of 1998 and the Municipal Finance Management Act of 2003, and has been approved by the Municipal Manager.
13	C44 (GG)	ERWAT	Number of disciplinary cases in the municipality / entity	This indicator measures the incidence of misconduct within the municipality / entity by tracking the number of active disciplinary cases.	The number of active disciplinary cases within the municipality. A disciplinary case is a formal procedure initiated in relation to alleged misconduct on the part of an employee which may result in a warning, sanction or dismissal.
14	C45 (GG)	ERWAT	Number of finalized disciplinary case	This indicator measures the number of disciplinary cases finalised within the municipality/entity in the reporting period. It is an indicator of the municipality's / entity's ability to conclude formal disciplinary procedures and get on with the work of the municipal administration.	The number of finalised disciplinary cases within the municipality. A disciplinary case is a formal procedure initiated in relation to alleged misconduct on the part of an employee which may result in a warning, sanction or dismissal.
15	C71 (LED)	ERWAT	Number of procurement processes where disputes were raised	This indicator monitors the extent to which tendering processes within the entity /	The number of procurement processes where disputes were raised within the municipality/entity. A municipality / entity typically allows service providers who were unsuccessful in the tender process 14 days to dispute the outcome

	Reference Number	Departm ent	Compliance indicators	Indicator Rationale	Indicator Definition
				municipality are delayed as a result of disputes based on the outcome of these processes	of their bid. This process usually takes place before the letter of award is issued to the successful bidder.
16	C77 (LED)	ERWAT	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	This indicator monitors the municipality's R-value procurement spend on suppliers that are at least 51% black owned based	The B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based within the municipality. In May 2019 amendments were made to the Enterprise and Supplier Development Scorecard and are now in effect. The aim of the Preferential Procurement scorecard is to encourage the usage of black owned professional services and entrepreneurs as suppliers while inherently encouraging measured entities to empower themselves on the broad-based principles of B-BBEE.
17	C78 (LED)	ERWAT	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	This indicator monitors the municipality's R-value procurement spend on suppliers that are at least 30% black women owned	The B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned based within the municipality. In May 2019 amendments were made to the Enterprise and Supplier Development Scorecard and are now in effect. The aim of the Preferential Procurement scorecard is to encourage the usage of black owned professional services and entrepreneurs as suppliers while inherently encouraging measured entities to empower themselves on the broad-based principles of B-BBEE.
18	C79 (LED)	ERWAT	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	This indicator monitors the municipality's R-value procurement spend on all suppliers based on the B-BBEE Procurement	The entity's R-value procurement spend on all suppliers based within the municipality based on the B-BBEE Procurement In May 2019 amendments were made to the Enterprise and Supplier Development Scorecard and are now in effect. The aim of the Preferential Procurement scorecard is to encourage the usage of black owned professional services and entrepreneurs as suppliers while inherently encouraging measured entities to empower themselves on the broad-based principles of B-BBEE.

SECTION 5

5.1 MAINTENANCE APPROACH

ERWAT is planning to upgrade the CMMS (Computer Maintenance Management System) to the latest system in 2024 – 2025 financial year, including a stores module. This will help the entity with recording and keeping critical items in stores, to expedite dealing with the maintenance backlogs and to facilitate changing the maintenance approach over time from being predominantly reactive to a preventive and predictive maintenance approach, in the medium term. Further to this, the entity is planning to align the budgets proposed to the wastewater risk abatement planning process, which is a systematic process that implements an integrated risk management plan from wastewater collection through wastewater treatment and including final effluent discharge into the environment. The alignment is essential for the achievement of ERWAT's main strategic goal to improve and attain Green Drop Status at the water care works that is managed by the entity.

5.2 DEPARTMENTAL CAPITAL PROJECTS (PROPOSED)

This section seeks to identify all the proposed Capital project which must be aligned with score cards as indicated above. Departments are required to list projects as prioritised by City Planning department as is following prioritisation process. (**All proposed projects must be listed since projects list will not be finalised during this first submission**). A consolidated capital allocation or the most important projects to be implemented in 2023/2024 must be indicated here. The full list of capital projects must be attached as an Annexure with the document.

Vote Number	Department	Project Name	CCA	Ward	Source of Funding 2024/2025	Approved Budget Year 2024/2025
73126460020TCXBAZZER	Finance	Finance : Asset Tag Register Machine	Kempton Park	89	USDG	R500 000.00
73526449420TCXBHZZER	Esther Park	Esther Park WCW Upgrades	Kempton Park	104	USDG	R2 300 000.00
73696449420TCXBHZZER	Rynfield	Rynfield WCW Upgrades	Benoni	27	USDG	R1590 000.00
73626449420TCXBHZZER	Benoni	Benoni WCW Upgrades	Benoni	29	USDG	R1 599 000.00

Vote Number	Department	Project Name	CCA	Ward	Source of Funding 2024/2025	Approved Budget Year 2024/2025
73616449420TCXBHZZER	Ancor	Ancor WCW Upgrades	Springs	76	USDG	R4 175 968,00
73686449420TCXBHZZER	Daveyton	Daveyton WCW Upgrades	Benoni	28	USDG	R2 120 000.00
73676449420TCXBHZZER	JP Marais	JP Marais WCW Upgrades	Benoni	29	USDG	R1 950 000.00
73726449420TCXBHZZER	Welgedacht	Welgedacht WCW Upgrades	Springs	75	USDG	R2 055 000.00
73666449420TCXBHZZER	Jan smuts	Jan smuts WCW Upgrades	Kempton Park	89	USDG	R1 633 158.00
73816449420TCXBHZZER	Dekema	Dekema WCW Upgrades	Germiston	39	USDG	R1 950 000.00
73826449420TCXBHZZER	Rondebult	Rondebult WCW Upgrades	Germiston	41	USDG	R2 436 000.00
73836449420TCXBHZZER	Vlakplaats	Vlakplaats WCW Upgrades	Vosloorus	44	USDG	R4 401 000.00
73716456020TCXBCZZER	Tsakane	Tsakane WCW Upgrades	Tsakane	112	USDG	R4 350 000.00
73706449420TCXBHZZER	Ratanda	Ratanda WCW Upgrades	Ratanda	2	USDG	R4 919 327.00
73646449420TCXBHZZER	Heidelberg	Heidelberg WCW Upgrades	Heidelberg	1	USDG	R4 280 000.00
73656449420TCXBHZZER	Herbert Bickley	Herbert Bickley WCW Upgrades	Nigel	88	USDG	R3 600 000.00
73636449420TCXBHZZER	Carl Grundlingh	Carl Grundlingh WCW Upgrades	Nigel	88	USDG	R1 490 000.00
73546449420TCXBHZZER	Hartebeesfotein	Hartebeesfotein WCW Upgrades	Kempton Park	89	USDG	R1 567 346.00
73846449420TCXBHZZER	Watervaal	Watervaal WCW Upgrades	Alberton	12	USDG	R1 146 000.00
73816449420TCXBHZZER	Dekema	Dekema Plant - Supply, Deliver And Install Motor Control Centre Panels At Erwat WCW On 'As And When Required' Basis For A Period Of Thirty Six (36 No.) Months.	Germiston	39	USDG	R5 750 000.00
73816449420TCXBHZZER	Dekema	Dekema Plant - Supply, Deliver And Install Pumps At Erwat WCW On 'As And When Required' Basis For A Period Of Thirty Six (36 No.) Months.	Germiston	39	USDG	R4 200 000.00
73536449420TCXBHZZER	Olifantsfontein	Olifantsfontein Plant - Refurbishment Of Olifantsfontein WCW	Tembisa 2	1	USDG	R 4 330 000.00

Vote Number	Department	Project Name	CCA	Ward	Source of Funding 2024/2025	Approved Budget Year 2024/2025
73536449420TCXBHZZER	Olifantsfontein	Olifantsfontein Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat WCW For A Period Of 36 Months	Tembisa 2	1	USDG	R4 396 192 .00
73546449420TCXBHZZER	Hartebeestfontein	Hartebeestfontein Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Kempton Park	89	USDG	R5 126 445 .00
73626449420TCXBHZZER	Benoni	Benoni Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat WCW For A Period Of 36 Months	Benoni	29	USDG	R900 000.00
73526449420TCXBHZZER	Operations :Security	Loss Control - Esther park Guard house	Kempton Park	104	USDG	R250 000.00
73616449420TCXBHZZER	Operations :Security	Loss Control – Ancor Guard house	Springs	76	USDG	R250 000.00
73636449420TCXBHZZER	Carl Grundling	Loss Control – Carl Grundling Guard house	Nigel	88	USDG	R250 000.00
73636449420TCXBHZZER	Carl Grundling	Carl Grundling Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Nigel	88	USDG	R660 000.00
73646449420TCXBHZZER	Operations :Security	Loss Control – Heidelberg Guard house	Heidelberg	1	USDG	R250 000.00
73646449420TCXBHZZER	Heidelberg	Heidelberg Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Heidelberg	1	USDG	R800 000.00

Vote Number	Department	Project Name	CCA	Ward	Source of Funding 2024/2025	Approved Budget Year 2024/2025
73656449420TCXBHZZER	Herbert Bickley	Herbert Bickley Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Nigel	88	USDG	R1 500 000.00
73696449420TCXBHZZER	Rynfield	Rynfield Plant - Supply, Deliver And Install Standby Generators At Erwat Wastewater Care Works On 'As And When Required' Basis For A Period Of Thirty Six (36 No.) Months	Benoni	27	USDG	R2 268 690 .00
73616449420TCXBHZZER	Ancor	Ancor Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Springs	76	USDG	R2 100 000.00
73666449420TCXBHZZER	Jan smuts	Jan Smuts Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Kempton Park	89	USDG	R1 400 000.00
73666449420TCXBHZZER	Jan smuts	Loss Control – Jan Smuts Guard house	Kempton Park	89	USDG	R250 000.00
73686449420TCXBHZZER	Daveyton	Daveyton Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Benoni	28	USDG	R1 365 874.00
73706449420TCXBHZZER	Ratanda	Loss Control – Jan Smuts Guard house	Ratanda	2	USDG	R250 000.00
73706449420TCXBHZZER	Ratanda	Ratanda Plant - Supply , Deliver & Install Water Purification System	Ratanda	2	USDG	R1 090 000.00

Vote Number	Department	Project Name	CCA	Ward	Source of Funding 2024/2025	Approved Budget Year 2024/2025
73726449420TCXBHZZER	Welgedacht	Welgedacht Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Springs	75	USDG	R5 000 000.00
73826449420TCXBHZZER	Rondebult	Rondebult Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Germiston	41	USDG	R3 500 000.00
73836449420TCXBHZZER	Vlakplaats	Vlakplaats Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Vosloorus	44	USDG	R1 200 000.00
73836449420TCXBHZZER	Vlakplaats	Loss Control – Vlakplaats Guard house	Vosloorus	44	USDG	R250 000.00
73846449420TCXBHZZER	ERWAT	Waterval Plant - Supply , Deliver & Install All Pumps On As When Required Basis In All Erwat Wastewater Care Works For A Period Of 36 Months	Alberton	12	USDG	R3 000 000.00
73846449420TCXBHZZER	ERWAT	Loss Control – Vlakplaats Guard house	Alberton	12	USDG	R250 000.00
						R95 000 000

Alignment to Strategic Priorities			Project Information			5 Year/Annual targets and baseline			Quarterly Targets 2023/2024					Total Budget
GDS Theme	SDBIP Key Performance Indicator	Priority being addressed (e.g Mayoral etc.)	Project/Program Name	Project Description	Project Objectives	5 Year Target (2021-2025)	Annual Target 2023/2024	Baseline	Q1	Q2	Q3	Q4	Target 2023/2024	
Environmental Well-being	KPI:2 Departmental		Head Office	Head Office	Head Office	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Building	Building	Building	95%	95%	97%	35%	60%	80%	95%	95%	R2 250 000.00
Environmental Well-being			ICT	ICT	ICT	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Furniture	Furniture	Furniture	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Motor Vehicle	Motor Vehicle	Motor Vehicle	95%	95%	97%	35%	60%	80%	95%	95%	R49 432 799.00
Environmental Well-being			Plant	Plant	Plant	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Security& Safety	Safety	Safety	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Roads	Roads	Roads	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Pipelines	Pipelines	Pipelines	95%	95%	97%	35%	60%	80%	95%	95%	R0
Environmental Well-being			Equipment/ Pumps	Equipment/ Pumps	Equipment/ Pumps	95%	95%	97%	35%	60%	80%	95%	95%	R 35 298 511.00
Environmental Well-being			MV/LV/Genset	MV/LV/Genset	MV/LV/Genset	95%	95%	97%	35%	60%	80%	95%	95%	**R8 018 690.00**
Environmental Well-being			C&I Systems	C&I Systems	C&I Systems	95%	95%	97%	35%	60%	80%	95%	95%	R0
														R95 000 000.00

The above projects must be confirmed after final approval of the budget, but proposed project must be indicated for planning purpose. ***Following the confirmation of the projects, departments will be required to provide annual Capital Project Outputs and project plan for each projects.***

5.0 DEPARTMENTAL FLAGSHIP/MEGA/CATALYTIC PROJECTS (PROPOSED)

This section includes all major projects that will contribute to the Mega Catalytic projects such as the John Dube Development and Obed Mthombeni Nkosi. This section focuses on feasibilities studies and major projects at ERWAT Water Care Works (WCW), for projects that contribute either directly or indirectly to the flagship projects.

COE and ERWAT undertook a comprehensive "Wastewater Conveyance and Treatment Systems Regionalisation and 50-year Master Plan" that will give strategic direction for future wastewater system extensions/consolidation planning, investment and implementation for the next fifty (50) year planning horizon. The plan cover all the Water Care Works operated by ERWAT and conveyance systems within the CoE operational area with the intention to optimize existing WCW systems and wastewater conveyance systems.
The urgent required WCW capacity upgrades to accommodate the short to medium term capacity requirements in line with the Regionalization and 50-year Master Plan is summarized in table below. In an effort to alleviate the immediate pressures faced by the institution, the City of Ekurhuleni, through their Human settlement department and EPMO have made funding available to kick start the process of appointing Professional Service Providers to undertake the designs of the identified WCW.

The appointments follow the ECSA guidelines that are detailed below.

- STAGE 1 – Inception
- STAGE 2 – Concept & Viability (Preliminary Design)
- STAGE 3 – Design Development (Detail Design)
- STAGE 4 – Documentation & Procurement (Including Tender Doc)
- STAGE 5 – Contract Administration and Inspection
- STAGE 6 – Close Out

The following WCW were identified to be in urgent need for expansion, discussed in section below. The table below outlines the key milestones progress to date.

Key Milestone Progress to Date

PROJECT NAME	PROJECT STAGES	IMPLEMENTATION STATUS
Waterval WCW Upgrade	Inception	Completed
	Preliminary Design	Ongoing
Olifantsfontein WCW Upgrade	Inception	Completed
	Preliminary Design	Ongoing
Ancor WCW Upgrade	Inception	Completed
	Preliminary Design	Ongoing
Welgedacht WCW Upgrade	Inception	Completed
	Preliminary Design	Completed
	Detail Design	Ongoing
Vlakplaats WCW Upgrade	Inception	Completed
Ratanda WCW Upgrade	Detail Design	Ongoing

In the approved capex budget for 2024/2025 financial year, there is no self-funding allocation made, which could contribute to the progress on the mega projects.

SECTION 6: IDP WARD PRIORITIES reconvene

The processes for the submission of IDP ward development needs was conducted during the month of March 2022 for the new term of office (2022-2026). Departments must note that CoE now has 112 wards instead of 101 as a result of ward demarcation and re-determination of municipal boundaries process. The departments must interrogate the needs/priorities that are relevant to their responsibilities and indicate how and when they will be addressed during the current term. If needs will not be addressed during the 5 years an explanation is required.
The table below must be populated to provide details of the needs that will be addressed in 2022/23. Responses are also required for all the needs; for those needs that will be implemented after 2022/23 responses must be provided in the document provided and be attached as an Annexure.

Table 3: DEPARTMENTAL PLAN FOR ADRESSING IDP WARD PRIORITIES in the **2023/2024** financial year

Ward Number	**Priorities Review Process**	**Departmental Response to needs**	**Issues to be taken into consideration**	**Year of Completion**	**Responsible Project Manager/Contact Person and phone number**
Ward 24	Upgrade of water pipes in Brentwood Park, Benoni small farms, Benoni AH, Cloverdene and Crystal park	Welgedacht 50 Ml/d Module 3 is at the planning stage. The project will commence when funds becomes available.	This flow is likely to go to JP Marais however, provision has been made to divert the flow to Welgedacht	N/A	HOD: IPAP, 011 - 929 7003
Ward 27	Upgrade and replacement of water lines in ward 27	Welgedacht 50 Ml/d Module 3 is at the planning stage. The project will commence when funds becomes available.	This flow is likely to go to JP Marais however, provision has been made to divert the flow to Welgedacht	N/A	HOD: IPAP, 011 - 929 7003
Ward 28	Investigate and repair the whole water (sewerage in the whole of ward 28)	Will respond to the outcome of the investigation	The outcome of the investigation should be shared with ERWAT so that the planning process can commence.	N/A	HOD: IPAP, 011 - 929 7003
Ward 28	Water pressure investigation and resolve for Lakefield, the Stewards and Westdene. Water pressure at western	Will respond to the outcome of the investigation	The outcome of the investigation should be shared with ERWAT so that the planning process can commence.	N/A	HOD: IPAP, 011 - 929 7003

Ward Number	Priorities Review Process	Departmental Response to needs	Issues to be taken into consideration	Year of Completion	Responsible Project Manager/Contact Person and phone number
	extension to be increased or upgraded				
Ward 31	Rectification of water pipeline system and valves in Tamboville, installation of new pipeline in Abby Nyalunga, Sebotsane & Mamkele streets	Vlakplaats upgrade is at the planning stage. The project will be phased out over 7 years. The first extra 42 Ml/d will be completed first. Followed by the other 24 Ml/d will be phased out in a period of 5 years after the completion of the first phase. The year of completion will be determined when the funds to commence with the project is available.	ERWAT will only provide extra 42 Ml/d when the funds are available to increase the capacity is made available.	N/A	HOD: IPAP, 011 - 929 7003
Ward 33	Upgrade of water infrastructure Witfield	Vlakplaats upgrade is at the planning stage. The project will be phased out over 7 years. The first extra 42 Ml/d will be completed first. Followed by the other 24 Ml/d will be phased out in a period of 5 years after the completion of the first phase. The year of completion will be determined when the funds to commence	ERWAT will only provide extra 42 Ml/d when the funds to increase the capacity is made available.	N/A	HOD: IPAP, 011 - 929 7003

Ward Number	Priorities Review Process	Departmental Response to needs	Issues to be taken into consideration	Year of Completion	Responsible Project Manager/Contact Person and phone number
		with the project is available.			
Ward 36	Building of a new water reservoir in Russel road, Germiston Airport	Waterval upgrade is at planning stage. 100 Ml/d Module 5, the completion date can only be determined when the project have funds.	ERWAT will only provide extra capacity when the funds is made available.	N/A	HOD: IPAP, 011 - 929 7003
Ward 38	Water sewer system upgrading project in Bracken downs and Bracken and Brocklehurst	Waterval upgrade is at planning stage. 100 Ml/d Module 5, the completion date can only be determined when the project have funds.	ERWAT will only provide extra capacity when the funds is made available.	N/A	HOD: IPAP, 011 - 929 7003
Ward 96	Water and sanitation for units in Mayfield ext1	Welgedacht 50 Ml/d Module 3 is at the planning stage. The project will commence when funds becomes available.	Information on the capacity required for the units in Mayfield ext 1 should be shared with ERWAT.	N/A	HOD: IPAP, 011 - 929 7003
Ward 72	Upgrade of sewerlines at Pintail close; Barketon and Grootvlei road	Welgedacht 50 Ml/d Module 3 is at the planning stage. The project will commence when funds becomes available.	Information of the capacity of the sewer after upgrade should be shared.	N/A	HOD: IPAP, 011 - 929 7003

NB: A department is required to interrogate and analyse all the needs that are relevant its core business and provide adequate responses.

ANNEXURE A: DETAILED 4 YEAR ROLLING CAPEX PLAN - See herein the embedded document

4-year capex plan for
SDBIP 2024 2025

	Department	APPROVED BUDGET ADJUSTMENT 2023 / 2024	2024/2025 Budget	2025/2026 Budget	2026/2027 Budget
73126460020TCXBAZZER	Finance	2 935 887	500 000	6 692 805	11 128 185
73146460020TCXBAZZER	ICT		-	2 500 000	1 500 000
73436456020TCXBCZZER	Scientific Services	2 550 000	-	5 100 000	8 000 000
73526449420TCXBHZZER	Esther Park		2 550 000	2 743 000	635 000
73536449420TCXBHZZER	Olifantsfontein	40 390 945	8 726 192	7 886 651	16 392 805
73546449420TCXBHZZER	Hartebeestfontein	34 365 477	6 693 791	16 191 101	11 963 010
73616449420TCXBHZZER	Ancor		6 525 968	6 150 000	13 231 000
73626449420TCXBHZZER	Benoni	1 161 980	2 449 000	1 159 000	2 400 000
73636449420TCXBHZZER	Carl Grundling	3 095 200	2 400 000	5 830 000	3 400 000
73646449420TCXBHZZER	Heidelberg	3 471 500	5 330 000	1 225 000	3 253 000
73656449420TCXBHZZER	Herbert Bickley	1 267 509	5 100 000	9 525 000	4 997 000
73666449420TCXBHZZER	Jan Smuts		3 283 158	2 515 000	3 000 000
73676449420TCXBHZZER	J P Marais		2 550 000	3 600 000	4 200 000
73686449420TCXBHZZER	Daveyton		3 485 874	3 600 000	3 083 447
73696449420TCXBHZZER	Rynfield	5 130 000	3 858 690	1 789 638	3 000 000
73706449420TCXBHZZER	Ratanda		6 259 327	3 490 000	4 580 000
73716456020TCXBCZZER	Tsakane	370 000	4 350 000	4 730 000	11 070 000
73726449420TCXBHZZER	Welgedacht	11 515 650	7 055 000	9 135 000	6 866 553
73816449420TCXBHZZER	Dekema	16 257 393	7 700 000	9 900 000	12 815 000
73826449420TCXBHZZER	Rondebult		5 936 000	8 442 805	5 785 000
73836449420TCXBHZZER	Vlakplaats	9 734 550	5 851 000	6 660 000	8 700 000
73846449420TCXBHZZER	Waterval	3 370 000	4 396 000	2 135 000	2 500 000
	Total	**135 616 091**	**95 000 000**	**121 000 000**	**142 500 000**

Grant	**135 616 091.00**	**95 000 000**	**109 400 000**	**125 000 000**
Self-funding		**-**	**11 600 000**	**17 500 000**
Total Capex	**135 616 091.00**	**95 000 000**	**121 000 000**	**142 500 000**

SECTION 7: FINANCIAL IMPLICATION

7.1 SUMMARY OF DEPARTMENT'S MTREF

The total adjusted budget for 2024/2025 is R1.578 billion as compared to the previous year's adjusted budget of 1.475 billion and is a 6.97% increase since the previous financial year.

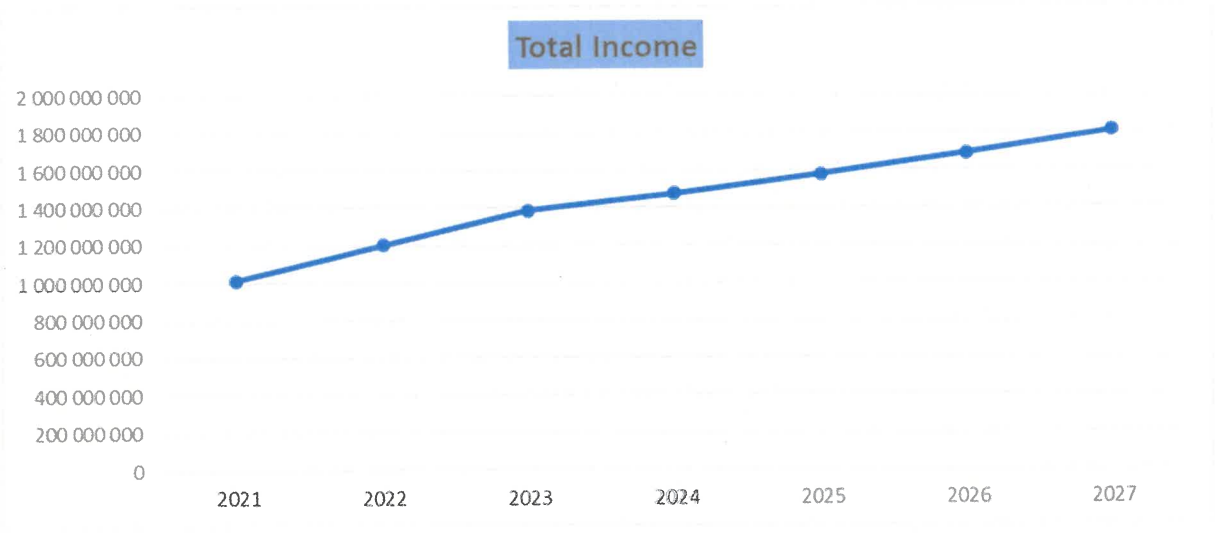
Table 4: Budget Summary (Income and OPEX)

Description	2023/2024 Original Budget	2023/24 Proposed Budget Adjustment	2023/24 Adjusted Budget	2023/24 Adjustment Percentage	2024/25 Budget Request	% Increase 2024/25	2025/26 Budget Request	% Increase 2025/26	2026/27 Budget Request	% Increase 2026/27
Revenue By Source										
Interest Income	6 500 000	26 893 602	33 393 602	413.75%	33 393 602	0.00%	33 393 602	0.00%	34 000 000	1.82%
Commercial Business	35 700 000	- 4 500 000	31 200 000	-12.61%	34 320 000	10.00%	37 752 000	10.00%	41 527 000	10.00%
			-							
Service Charges	**1 359 429 724**	**51 343 433**	**1 410 773 157**	**3.78%**	**1 510 470 206**	7.07%	**1 617 249 770**	7.07%	**1 731 619 032**	7.07%
- Service Charges - CoE	1 293 698 672	-	1 293 698 672	0.00%	1 384 257 579	7.00%	1 481 155 609	7.00%	1 584 836 502	7.00%
- Service Charges - Lesedi	23 573 206	-	23 573 206	0.00%	26 166 259	11.00%	29 044 547	11.00%	32 239 447	11.00%
- Service Charges - JHB Water	42 157 846	51 343 433	93 501 279	121.79%	100 046 368	7.00%	107 049 614	7.00%	114 543 083	7.00%
Total Revenue (Excl. Grants & Subsidies)	**1 401 629 724**	**73 737 035**	**1 475 366 759**	**5.26%**	**1 578 183 808**	**6.97%**	**1 688 395 372**	**6.98%**	**1 807 146 032**	**7.03%**

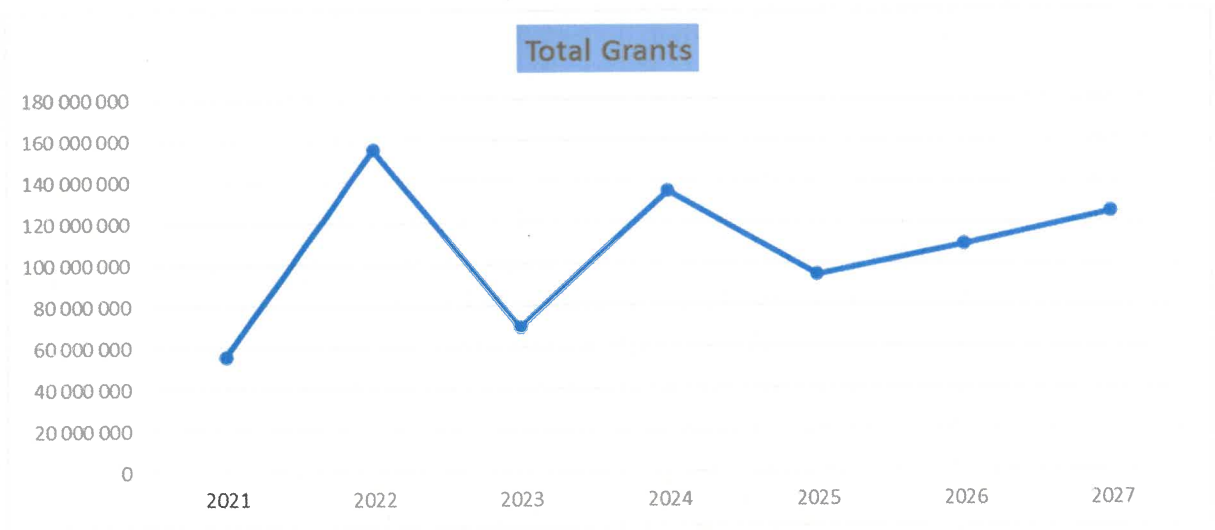
Description	2023/2024 Original Budget	2023/2024 Virements YTD 31 Dec 2023	2023/24 Proposed Budget Adjustment	2023/24 Adjusted Budget	2023/24 Adjustment Percentage	2024/25 Budget Request	% Increase 2024/25	2025/26 Budget Request	% Increase 2025/26	2026/27 Budget Request	% Increase 2026/27
Expenditure By Type											
Bulk Purchases and materials	400 223 852	- 13 833 785	- 7 452 401	378 937 666	-5.32%	440 187 091	16.16%	506 882 153	15.15%	530 523 415	4.66%
Debt impairment	1 856 135	-	-	1 856 135	0.00%	1 742 850	-6.10%	1 742 850	0.00%	1 864 850	7.00%
Depreciation and amortisation	103 878 876	-	25 139 491	129 018 367	24.20%	141 920 210	10.00%	156 112 215	10.00%	173 440 678	11.10%
Employee related costs	488 794 282	-	766 168	489 560 450	0.16%	517 996 192	5.81%	537 548 959	3.77%	578 161 804	7.56%
Finance costs	27 929 554	-	8 601 072	36 530 626	30.80%	39 087 769	7.00%	41 823 913	7.00%	44 751 587	7.00%
General expenditure	222 948 154	12 753 643	34 753 807	270 455 604	21.31%	226 589 414	-16.22%	234 915 341	3.67%	251 500 366	7.06%
Impairment	-	-	11 928 908	11 928 908	100.00%	6 122 649	-48.67%	1 667 133	-72.77%	4 552 273	173.06%
Repairs and maintenance	155 998 871	1 080 142	-	157 079 013	0.69%	178 663 660	13.74%	180 017 657	0.76%	192 726 902	7.06%
Total Operating Expenditure	**1 401 629 724**	-	**73 737 045**	**1 475 366 769**	**5.26%**	**1 552 309 835**	**5.22%**	**1 660 710 221**	**6.98%**	**1 777 521 875**	**7.03%**

ERWAT's budget continues to be in line with its strategic objectives.

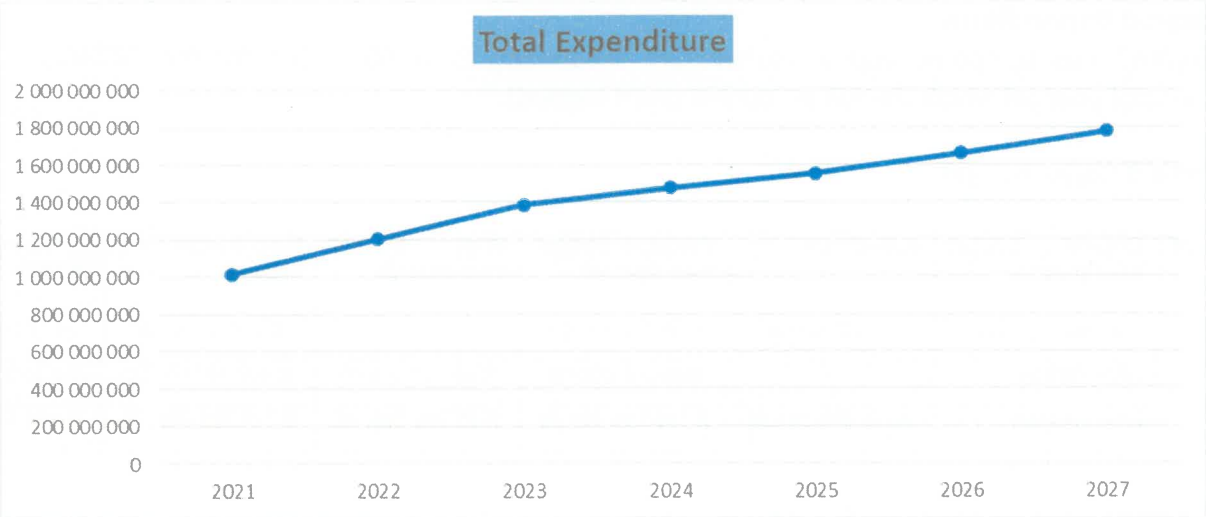
Income: ERWAT has a total revenue budget of **R1.578 billion** which is a 6.97**%** increase on the total evenue budgeted for 2023/24. The total revenue excludes grants and subsidies received.



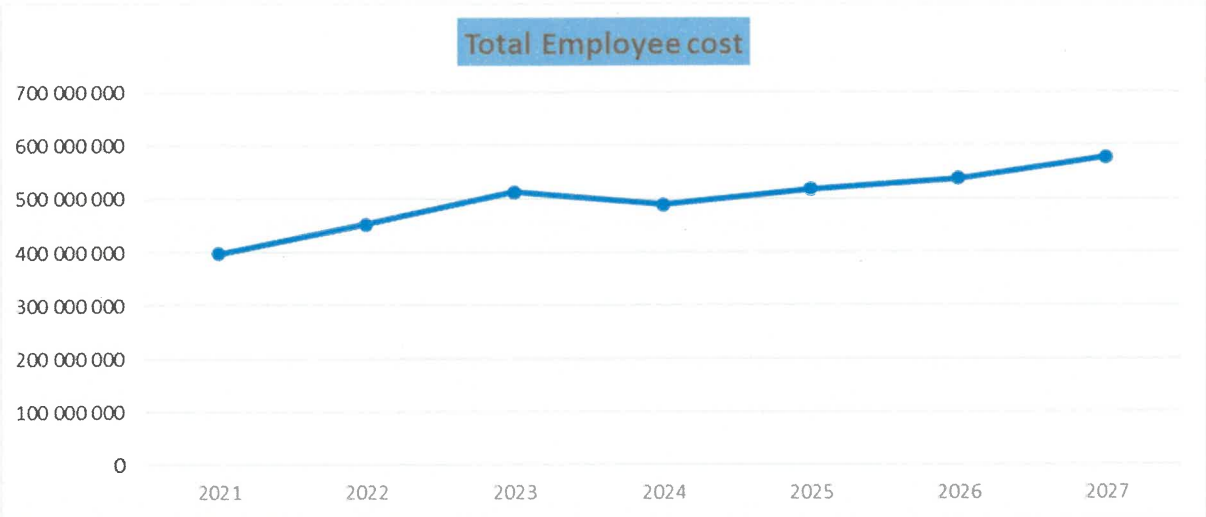
Graph 1: total income



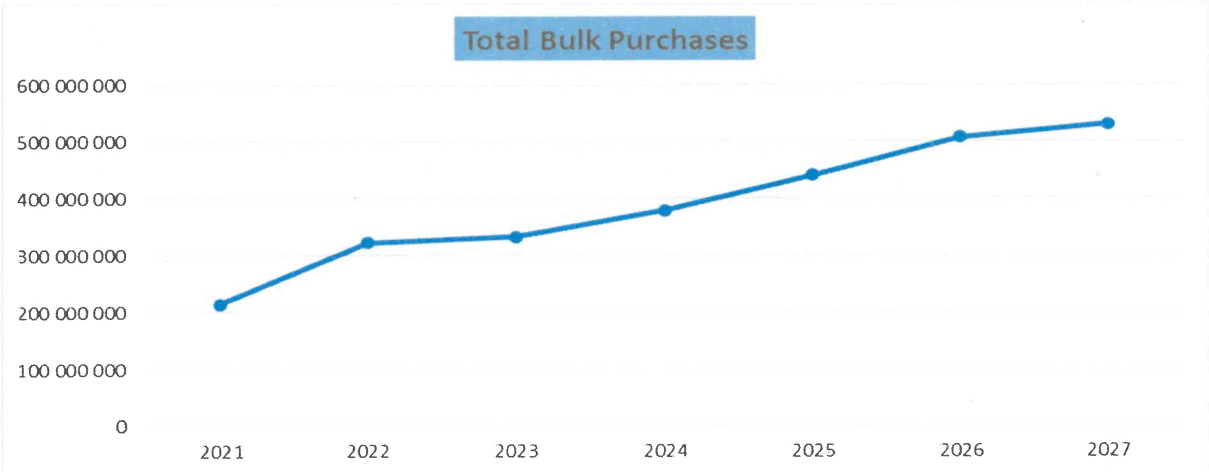
Graph 2: Grants received



Graph 3: Total expenditure



Graph 4: Employee related cost



Graph 2: Bulk purchases

Capital Expenditure:

ERWAT has budgeted capital expenditure amounting to R 95 million for the 2024/25 financial year (of which the full amount is grant funded).

Table 5 Capex budget

Source of Funding	Original Budget Year 2023/24	Adjustment	Adjusted Budget Year 2023/24	Draft Budget Year 2024/25	Draft Budget Year 2025/26	Draft Budget Year 2026/27
REVENUE	R 47 464 091, 00	R7 970 000.00	R55 616 091.00	-	R 11 600 000.00	R 17 500 000.00
USDG	R80 000 000	-	R80 000 000.00	R 95 000 000.00	R 109 400 000.00	R 125 000 000, 00
Total	**R127 646 091**	**R135 616 091,00**	**R 135 616 091.00**	**R 95 000 000, 00**	**R 121 000 000, 00**	**R 142 500 000, 00**

1.2 HUMAN CAPITAL EXPENDITURE

In this section the current Human Capital expenditure overview is indicated. This includes the total staff expenditure, professional services (consultancy services) and a ratio of staff to operating expenditure. The intention of the section is to demonstrate that ERWAT has budgeted within its allocation for both the salaries and for the appointment of service providers to be able to deliver on the planned tasks for 2024/25.

The total staff expenditure is linked to the human capital requirements necessary for achieving operational needs.

Table 7: Staff expenditure

TOTAL STAFF EXPENDITURE				
Salaries and Wages (R)	**Previous FY**	**Current F/Y (projections)**	**Required Budget F/Y**	**Projected Growth Rate (%)**
	2022/2023	2023/2024	2024/2025	2023/2024 to 2024/2025
	513 441 864	435 148 804	517 996 192	19%

Note: Last updated March 2024

Contracted services expenditure is on an upward trend and is expected to increase to R178 663 660 in 2024/25.

Table 8: Expenditure on contracted services

TOTAL CONTRACTED SERVICES EXPENDITURE				
Contracted Services Expenditure	**Previous FY**	**Current F/Y (projections)**	**Required Budget F/Y**	**Projected Growth / Decrease (%)**
	2022/2023	2023/2024	2024/2025	2023/2024 to 2024/2025
	166 578 174	157 079 013	178 663 660	14%

Note: Last updated March 2024

The ratio between staff expenditure and other operating expenditure is on an upward trend and is expected to reach 33% in 2024/25.

Table 9: Staff Expenditure versus operational expenditure

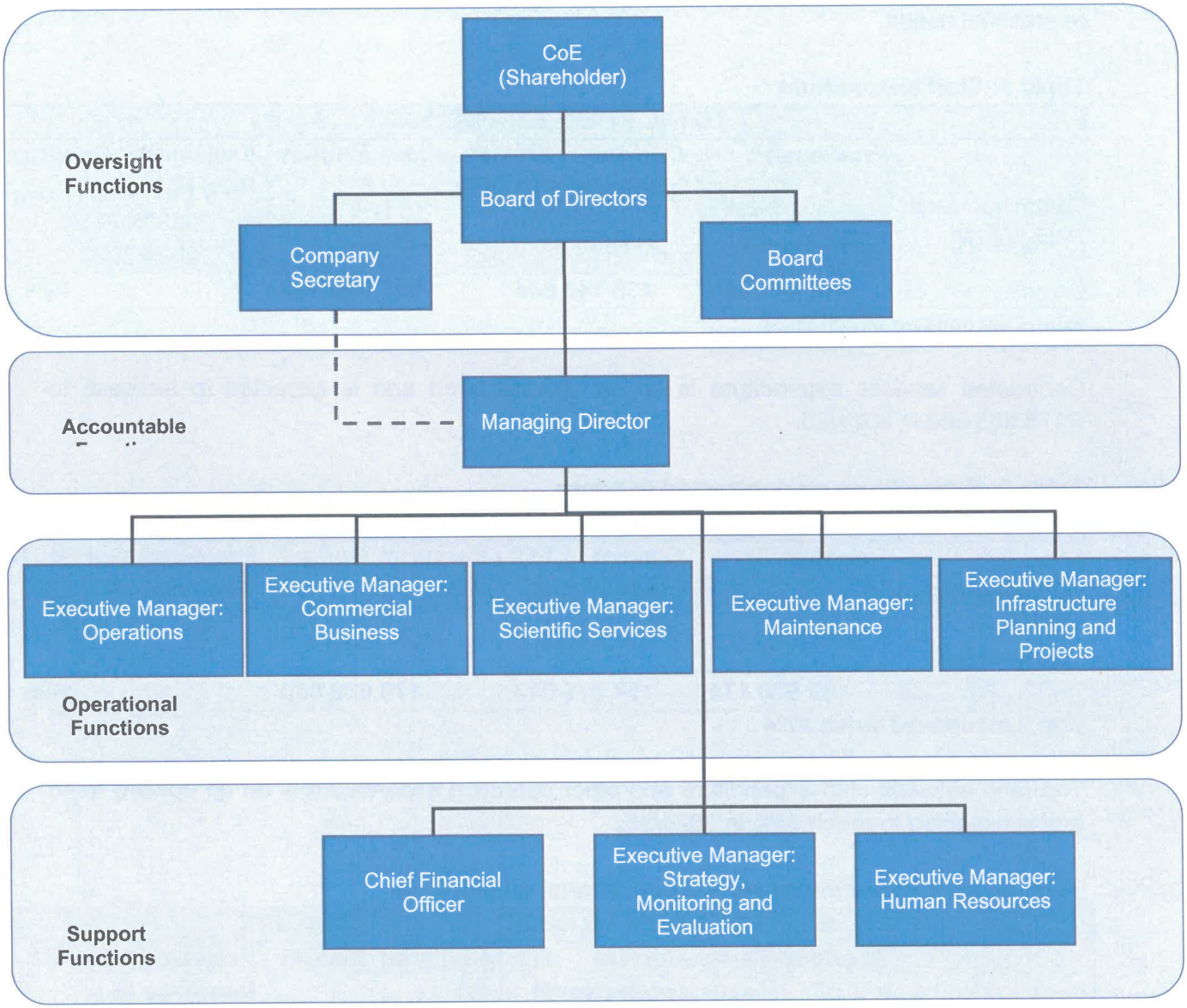
RATIO OF STAFF TO OPERATING EXPENDITURE				
	Previous FY	**Current F/Y (projections)**	**Required Budget F/Y**	**Projected Growth / Decrease (%)**
	2022/2023	2023/2024	2024/2025	2023/2024 to 2024/2025
Staff Expenditure	513 441 864	435 148 804	517 996 192	19%
Operating Expenditure	1 385 688 475	1 420 955 113	1 552 309 835	9%
Ratio	37%	31%	33%	

Note: Last updated March 2024

SECTION 8: HUMAN RESOURCE ANALYSIS

DISCUSSIONS

ORGANISATIONAL STRUCTURE



ERWAT Manpower employment statistics

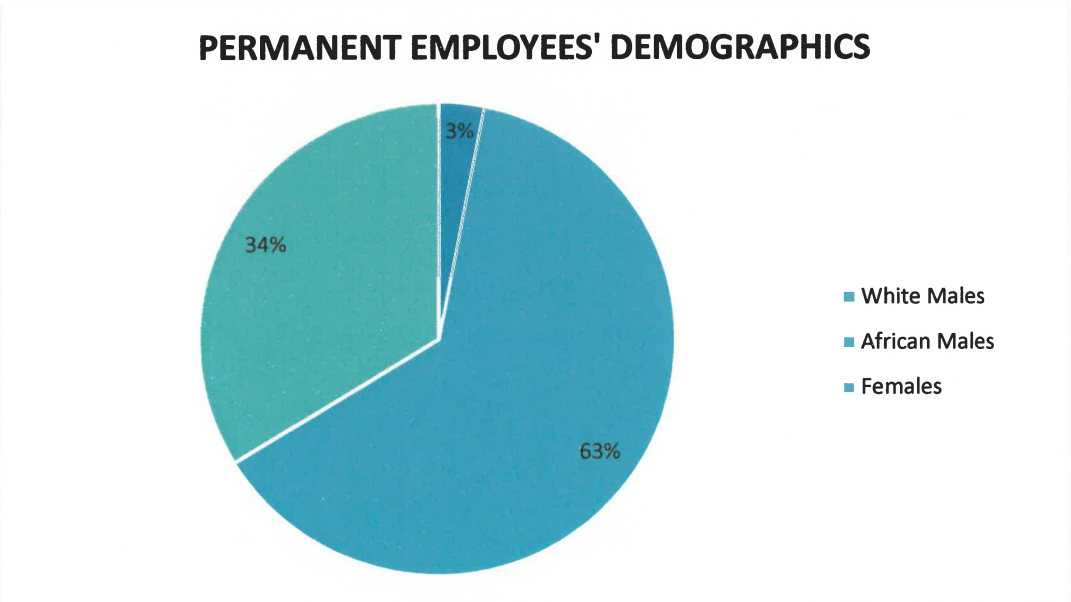
8.1.1. ERWAT total manpower (Including non-permanent staff)

TOTAL MANPOWER AS AT 31 MARCH 2024					
Department/Section	**African**	**White**	**Female**	**Male**	**Total**
Board	2	1	2	1	**3**
Office of the MD	7	1	3	5	**8**
Company Secretariat	2	-	2	-	**2**
Strategy, Monitoring and Evaluation	10	1	7	4	**11**
Human Resources	21	2	16	7	**23**
Scientific Services	54	6	38	22	**60**
IPAP	16	-	7	9	**16**
Financial Services	32	6	24	14	**38**
Operations	384	12	107	289	**396**
Maintenance	83	8	21	70	**91**
Commercial Business	35	1	6	30	**36**
Total Employees	**646**	**38**	**233**	**451**	**684**

TOTAL MANPOWER DEMOGRAPHICS				
Total Employees 2024	**White Male**	**African Male**	**Female**	**Equity**
684	**19**	**432**	**233**	**97%**

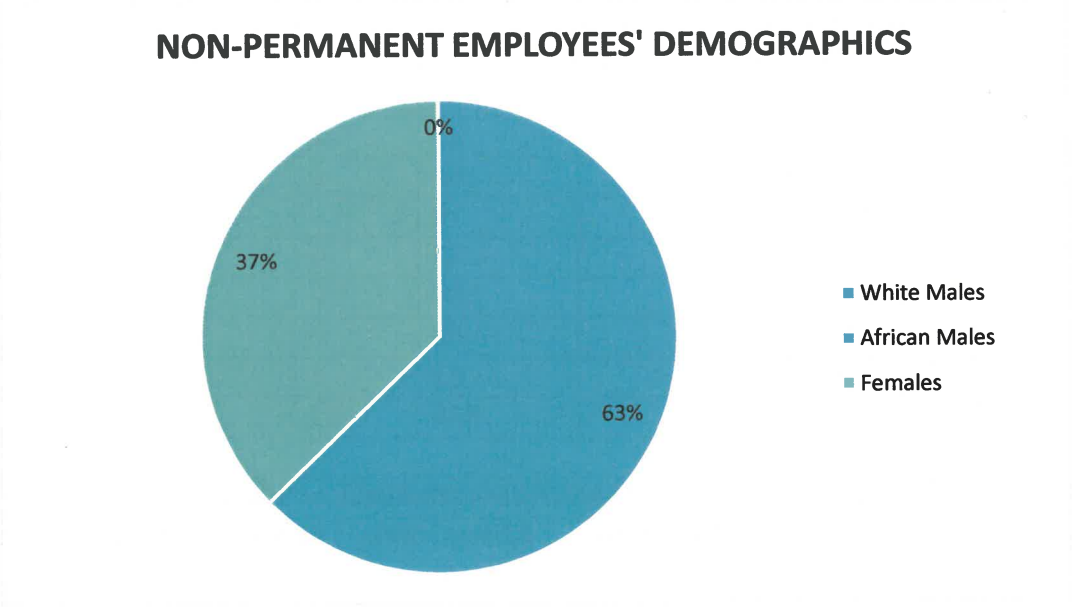
8.1.2. Demographics for permanent employees

PERMANENT EMPLOYEES' DEMOGRAPHICS				
Total Employees 2024	**White Male**	**African Male**	**Female**	**Equity**
625	**19**	**395**	**211**	**97%**



8.1.3. Demographic for non-permanent employees

NON- PERMANENT EMPLOYEES' DEMOGRAPHICS				
Total Employees 2024	White Male	African Male	Female	Equity
59	0	37	22	100%



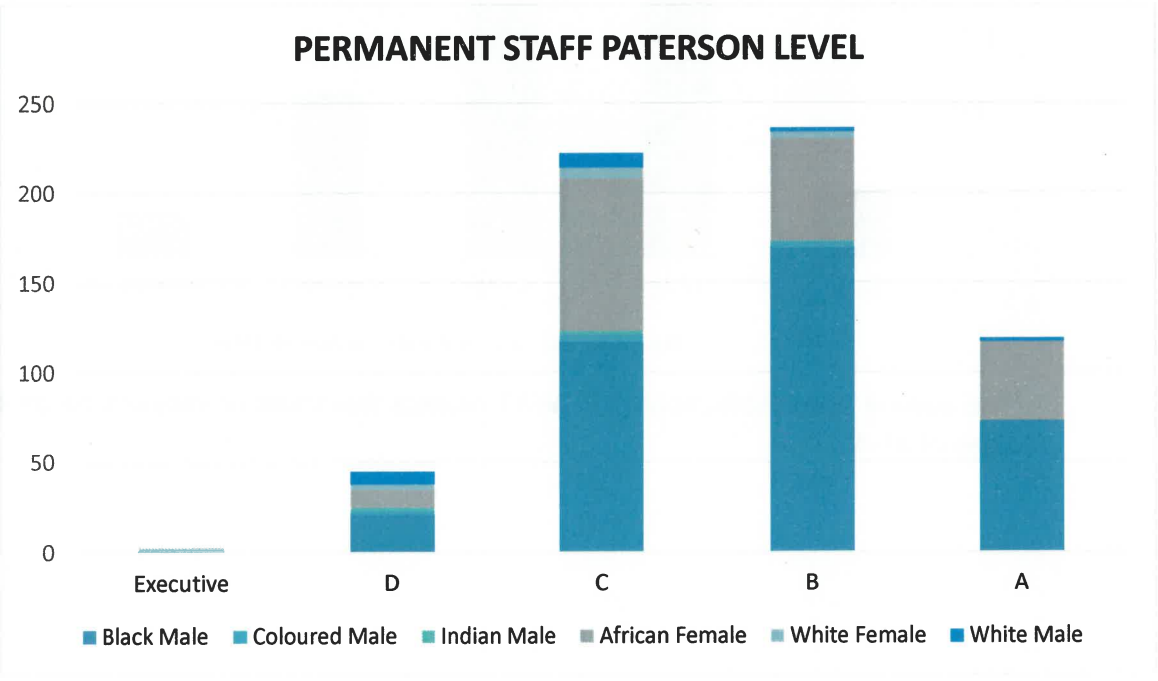
8.2. Employment equity statistics

8.2.1. Definition of employee categories

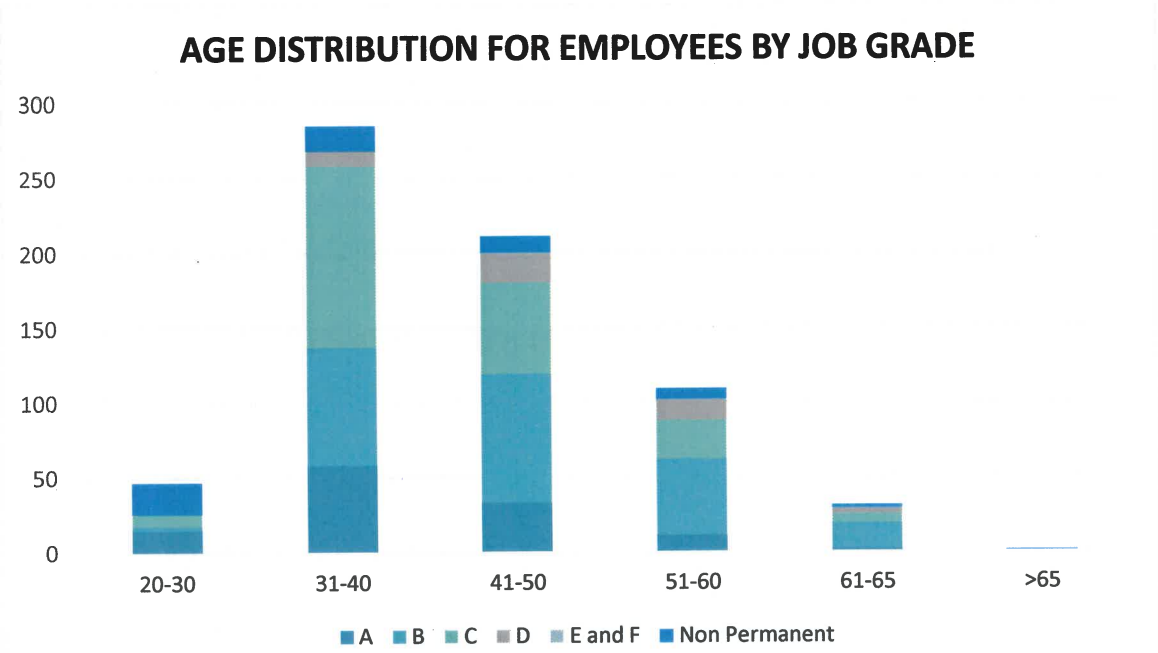
GRADES	EMPLOYEE CATEGORIES
F & E	Top Management
D	Professionally qualified and experienced specialists and middle management.
C	Skilled Technical and academically qualified workers, junior management, supervisors and superintendents.
B	Semi-skilled and discretionary decision-making.
A	Unskilled and defined decision-making.

8.2.2. ERWAT Paterson level profile (permanent staff only)

PATERSON PROFILE	AFRICAN				WHITE			
Level	B	C	I	F	F	M	TOTAL	EQUITY
Executive	-	1	-	1	1	-	3	100%
D	21	2	2	10	3	7	45	84%
C	117	4	2	85	6	8	222	96%
B	169	4	-	57	4	2	236	99%
A	73	-	-	44	-	2	119	98%
Total	380	11	4	197	14	19	625	97%

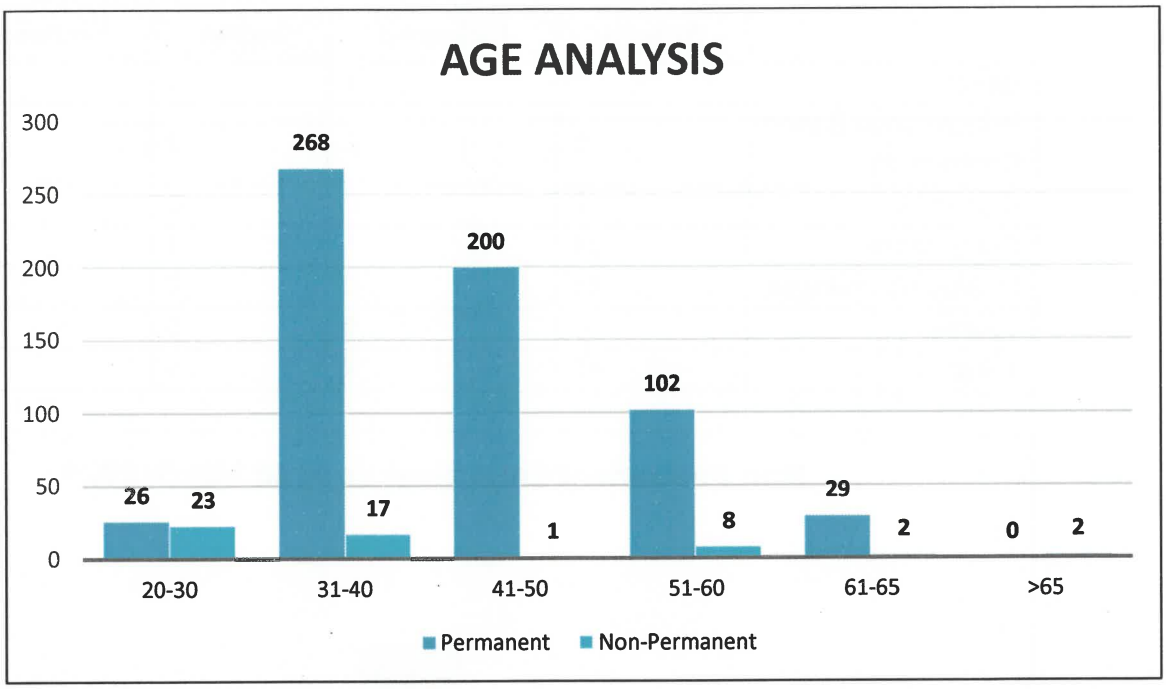


OCCUPATIONAL CATEGORIES	AGE ANALYSES						Total
	20-30	31-40	41-50	51-60	61-65	>65	
Unskilled and defined decision-making	15	58	33	11	2	-	**119**
Semi-skilled and discretionary decision-making	3	79	86	51	17	-	**236**
Skilled Technical and academically qualified workers, junior management, supervisors and superintendents	8	121	61	26	6	-	**222**
Professionally qualified and experienced specialists and middle management	-	10	19	13	3	-	**45**
Top Management	-	-	1	1	1	-	**3**
Total Permanent	**26**	**268**	**200**	**102**	**29**	**-**	**625**
Non-Permanent Employees	21	17	11	7	2	1	**59**
Total on Payroll	**47**	**285**	**211**	**109**	**31**	**1**	**684**



The current age distribution of ERWAT depicts that most employees range between the ages of 31-40.

8.2.3. Age analysis



Average age as at 03/2024 = 36

8.3. Labour turnover statistics

8.3.1. New appointments and promotions

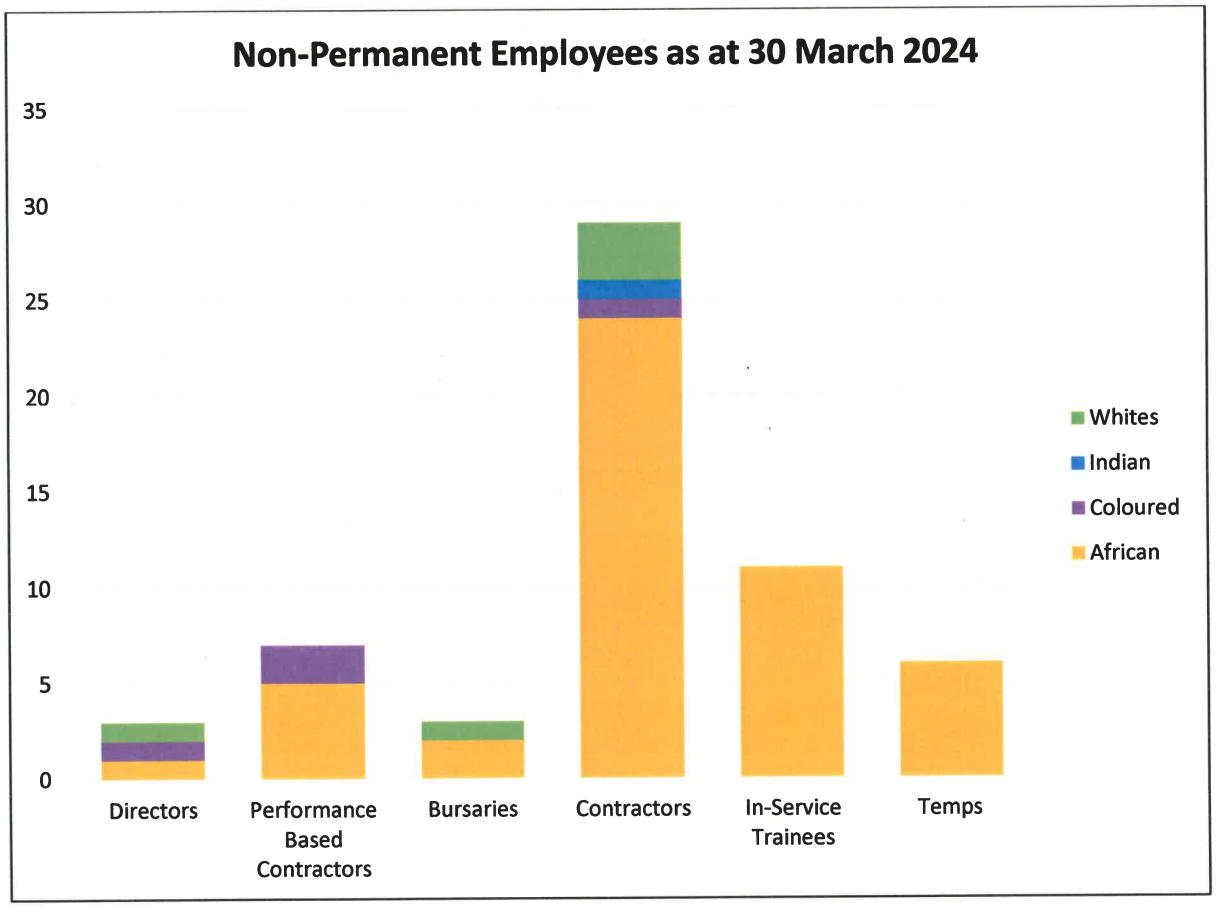
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	1	4	-	-	-	-	-	1	6
Promotion	1	-	-	-	-	-	-	-	1
Total	**2**	**4**	**-**	**-**	**-**	**-**	**-**	**1**	**7**

8.3.2. Terminations

Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Resignations	2	1	-	-	-	-	-	1	4
Retirements	-	1	-	-	-	-	-	1	2
Contract Expired	2	5	-	-	-	1	-	-	8
Total	**4**	**7**	**-**	**-**	**-**	**1**	**-**	**2**	**14**

8.3.3. Statistics for non-permanent staff

	African	Coloured	Indian	Whites	Total
Directors	1	1	0	1	3
Performance Based Contractors	5	2	0	0	7
Bursaries	2	0	0	1	3
Contractors	24	1	1	3	29
In-Service Trainees	11	0	0	0	11
Temps	6	0	0	0	6
Total	**49**	**4**	**1**	**5**	**59**



9. RISK MANAGEMENT

SECTION 9: RISK ANALYSIS

9.1. SUMMARY OF RISKS

The Board of Directors is committed to the process of risk management, as outlined in the Board Charter. This charter acknowledges that strategy, risk, performance, and sustainability are interconnected. The Board ensures that all material risks and business plans are thoroughly considered and addressed by management. Risk management has become an integral part of strategy setting and is included in senior management's Key Performance Areas.

ERW1. Inadequate Capacity to Treat Wastewater

Ekurhuleni is rapidly growing, which places a significant burden on infrastructure capacity. Currently, the infrastructure is old and operating beyond its design capacity, leading to frequent breakdowns of critical equipment.

ERW2. Inadequate preparedness in the event of an emergency/natural disaster.

The water care infrastructure is currently both hydraulically and organically overloaded, with limited emergency dams and water diverting systems. This overloading is exacerbated by aged treatment facilities that lack the capability to divert water flows in case of emergency, leaving the system vulnerable to failure during the flooding seasons or dolomite incidents.

ERW3. Potential loss of the ISO 17025 accreditation

The laboratory instruments are key to ensuring that the water being discharged to the rivers and water from the taps in homes is of the highest quality and comply with the GreenDrop & BlueDrop standards. Failure to upgrade instruments and replace obsolete ones may negative results on the water quality and result in the loss of the ISO 17025.

ERW4. Inadequate preparedness in the event of total grid collapse resulting in extended blackouts

In the event of extended blackouts, the ability to treat wastewater effectively is compromised, leading to untreated or partially treated effluent being released into the environment. This situation not only poses a major public health risk but also threatens the ecological balance of receiving water bodies.

ERW5. Inability to spend in accordance with the allocated budget

The bottlenecks in the Supply Chain Environment makes the entity to be unable to utilize its budget as planned, it can lead to significant underperformance in critical areas such as infrastructure development, maintenance, and service delivery.

ERW6. Inadequate revenue generation to supplement the approved budget

ERWAT faces a significant risk concerning budget cuts as the entity relies heavily on budget allocations from its parent municipality, the City of Ekurhuleni, which provides funds in the form of grants and user charges. However, delays in the disbursement of these grants can create severe cash flow issues, impacting ERWAT's ability to meet its financial obligations and sustain its operations. In response to these challenges, ERWAT has established a Commercial Business division aimed at generating additional revenue. This initiative seeks to diversify the entity's income

streams and reduce dependency on municipal grants. However, the implementation of this strategy faces significant hurdles due to the Municipal Finance Management Act (MFMA) legislation, which restricts ERWAT's ability to conduct business activities outside South Africa. This legislative constraint limits the division's growth potential and the ability to tap into international markets.

ERW7. Inability to Achieve Capital Expenditure Set Target

One of the most pressing challenges is the increasing incidence of project disruptions by communities and businesses demanding a stake in the projects. These disruptions are often orchestrated by groups commonly referred to as the "construction mafia," which have become a widespread issue in South Africa

ERW8. Potential Loss of Key Skills

ERWAT acknowledges the increasing demand for skilled personnel in the water sector (Ref: Scarce Skills 2019, Vol 6). The loss of key skills within the organization poses a significant threat to achieving organizational objectives. Additionally, some employees may succumb to the pandemic.

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ERW9. Potential Delay in Supply and Delivery of Critical Goods/Services

ERWAT imports some of the critical equipment and consumables needed for water testing for the city, the entity, and its customers. Global supply chain disruptions due to the pandemic and restrictions imposed by various countries result in long lead times.

ERW10. Potential Loss of, and Unauthorised Access to, Critical Information

In February 2024, ERWAT faced cyber security attack that underscored the risk of potential loss of, and unauthorized access to, critical information. This incident highlighted the vulnerabilities in the entity's information and communication technology (ICT) systems, posing threat to the confidentiality, integrity, and availability of sensitive data. The Protection of Personal Information Act (POPIA) places a heightened responsibility on ERWAT to protect the personal information of employees, customers, and other stakeholders. Compliance with POPIA is essential to avoid legal penalties and maintain trust with stakeholders. However, the cyber security attack demonstrated that existing safeguards were insufficient to prevent unauthorized access to critical information.

ERW11. Potential injuries to people (personnel, visitors and contractors) and damage to property

Several factors may contribute to this risk, including outdated equipment, insufficient maintenance practices, and gaps in safety training and awareness. The dynamic nature of wastewater treatment processes requires constant vigilance and adherence to stringent safety standards to prevent accidents. Additionally, the presence of contractors and visitors, who may be less familiar with the site's specific hazards, further amplifies the risk.

STRATEGIC RISK ACTION PLANS

A formal risk assessment is conducted once annually to ensure the alignment of risk and strategy sure that and develop adequate risk action plans to mitigate the risk. Some risk mitigations, such as upgrading infrastructure, require substantial budget allocations.

POTENTIAL EMERGING RISKS

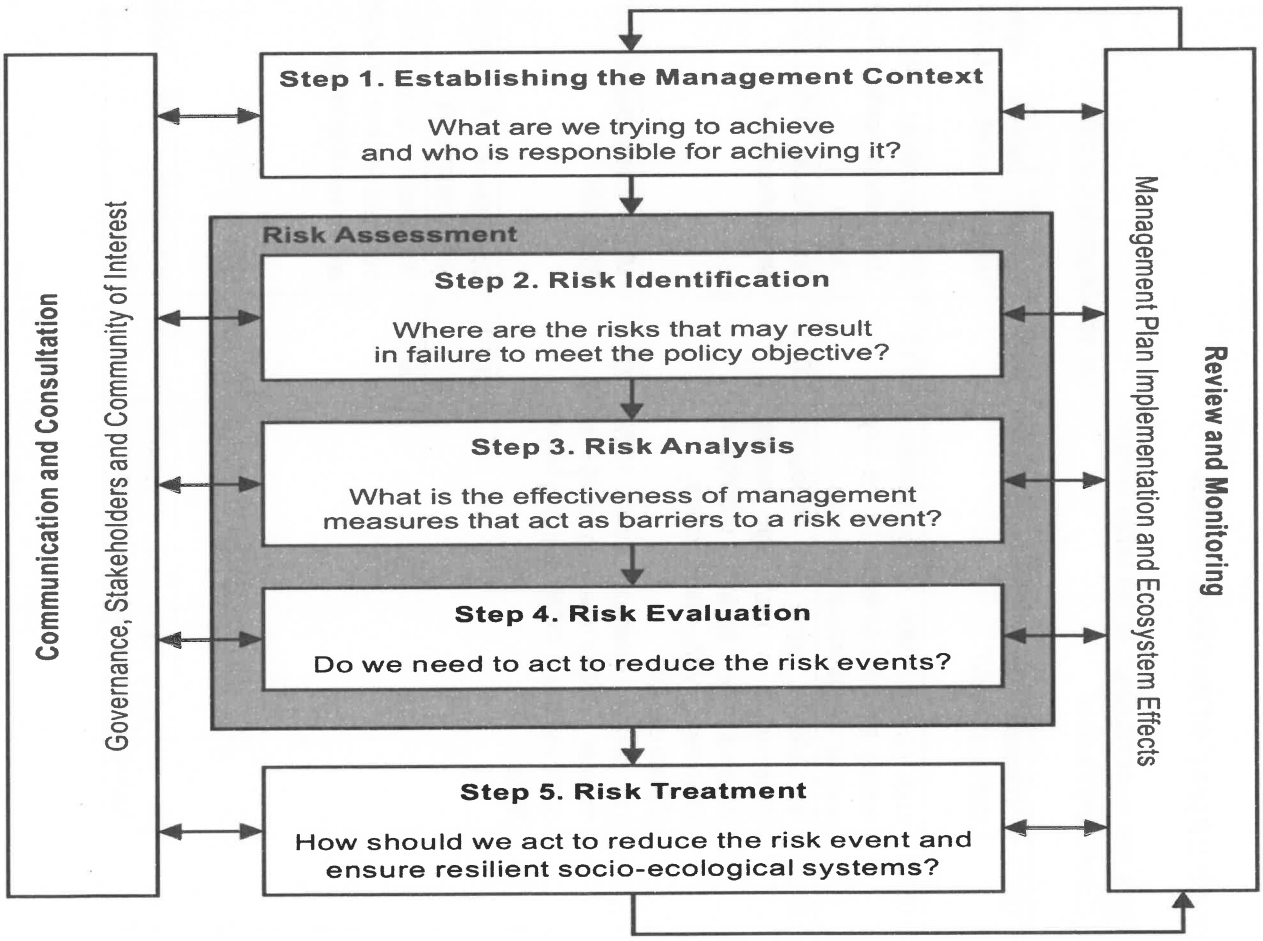
(a). Changes in legislation, such as MFMA and Regulation 3630

This risk could create compliance challenges and increase operational costs for ERWAT. If the Act is amended to tighten these restrictions, ERWAT's ability to secure funding for capital projects or

infrastructure upgrades could be hampered. This could limit the company's growth and ability to adapt to changing demands. Furthermore, Regulation 3630 sets competency requirements for process controllers in wastewater treatment plants. Changes to this regulation could necessitate additional training and certification for ERWAT staff, leading to increased costs and potential disruptions if qualified personnel are not readily available. Non-compliance with Regulation 3630 could result in fines, penalties, or even the suspension of ERWAT's operating license.
ERW(b). Changes in political leadership may lead to instability, and Disruption of Service Delivery Agreements. Political instability can lead to changes in leadership and priorities within the municipality. This may result in the revision or cancellation of service delivery agreements (SDAs) between ERWAT and the City of Ekurhuleni, impacting ERWAT's operations and revenue streams.

9.2 RISK MANAGEMENT FRAMEWORK

The entity follows a framework that makes it easier to integrate risk management into the organization's overall governance, strategy, and planning processes. Risk management is an essential to the entity's aim to safeguard assets, ensure compliance, and achieve strategic objectives. By systematically identifying, assessing, and managing risks, the entity can enhance decision-making processes, build resilience, and improve overall performance. Effective risk management requires ongoing communication, consultation, and regular reviews to adapt to the ever-changing risk landscape



9.3 SUMMARY OF ERWAT STRATEGIC RISKS

The strategic risks are summarized in the table below.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
ERW1	Inadequate Infrastructure to treat wastewater	CF1.1	Inadequate integrated planning between CoE and ERWAT	CF1.1	Service Delivery Agreement between the CoE and ERWAT	High	RAP 1.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF1.2	Lack of participation in key decision-making forums established by the City such as Capital Investment Forum	CF1.2	City Committees (MMC Senior Management meetings, Technical Cluster)		RAP1.2	Request the H.O.D of the City Planning to invite ERWAT to the Capital Investment Forum meeting
		CF1.3	'a) Outdated, aging and inadequate infrastructure to treat high strength industrial effluent due to lack of budget to implement capacity related projects. Current Capacity (14 WCWs operating above 100% capacity, 3WCWs operating at 80+ to 100% and only 2 WCWs operating below 80%)	CC1.3.1	Grant Funding (Urban settlement development grant)		RAP1.3.1	Investigate other potential sources of funding for the upgrading of infrastructure to increase capacity- Go out into the market to source/borrow additional funding for expansion
				CC1.3.2	'MTERF Capex Budget Allocation 2023/2024		RAP1.3.2.1	Implementation the 2023/2024 Capex plan
							RAP1.3.2.2	Plant Optimisation Modelling
				CC1.3.3	Development & Engineering Contribution Policy		RAP1.3.3	Review the Development & Engineering Contribution Policy to include a clause on upfront payment
				CC1.3.4	Wastewater conveyance and treatment systems regionalisation and 50-year master plan		RAP1.3.4	Five (5) Turnkey Capital Project – 50 Year Master Plan through the City (progress report) 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht
			'b) Outdated, aging and inadequate technology to treat high strength industrial	CC1.3.5	Wastewater Risk Abatement Plans		RAP1.3.5	Review the Wastewater Risk Abatement Plans every 2nd year (2023)

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
			effluent due to lack of budget to implement newer technologies (OPS).	CC1.3.6	Wastewater Research and Development Program		RAP1.3.6	Organic testing of industrial effluent
				CC1.3.7	CoE Schedule A Bylaws Analysis of samples by ERWAT		RAP1.3.7	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC1.3.8	Incident management protocol (IMP).		RAP1.3.8	Tracking of incidents and on a quarterly to assist in planning to build operational resilience and improving compliance
		CF1.4	'Asset Care Plans inadequately resourced to fully implementation maintenance plans leading to unavailability of equipment	CC1.4.1	Asset Management Policy & Asset Management Strategy		RAP1.4.1	Review the Asset Management Policy and Strategy
				CC1.4.2	Asset Care Plans, limited available budget		RAP1.4.2	Implementation of the Maintenance Plan for 2023/2024
				CC1.4.3	Implementation of the 2022/2023 Maintenance Plan			
		CF1.5	Delays in bringing back equipment to services due to long lead time of spares of spares sourced overseas and inadequate service master contracts	CC1.5.1	ERWAT Operational Procurement Plan		RAP1.5.1	Create a Centralised Spares Store to reduce down-time and increase efficiency
				CC1.5.2	'Equipment Operating Manuals		RAP1.5.2	Develop/Review the Maintenance & Operations Standard Operating Procedures
		CF1.6	Storm water ingress contributing to the water levels in the plant	CC1.6	No current control - Storm water is managed at City level		RAP1.6	The entity has no control over storm water ingress it is within the boundary of the City
		CF1.7	Rapid population and industrial growth within CoE	CC1.7	Wastewater conveyance and treatment systems regionalisation and 50-year master plan		RAP1.7	Request additional Capex funding to implement capacity related project
ERW2	Inadequate preparedness in the event of an emergency/natural disaster.	CF2.1	Some plants of the 19 Wastewater Care Works do not have wastewater bypassing systems and emergency dams	CC2.1	Water Bypass System for some Wastewater Care Works and emergency dams	High	RAP2.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF2.2	Some of the Infrastructure built on dolomitic areas	CC2.2	Geo tech studies conducted(annually upon availability of funds)		RAP2.2	Conduct Geotechnical studies

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
		CF2.3	Inadequate Business Continuity Management Program	CC2.3.1	Business Continuity Management Policy		RAP2.3.1	Develop an ERWAT Disaster Management Framework
				CC2.3.2(a)	Business Continuity Management Risk Assessments for Water Care Works and Support Services		RAP2.3.2	Review of Business Recovery Plans for the Core Business
				CC2.3.2(b)	BCM Business Impact Analysis			
				CC2.3.2(c)	Business Recovery Plans			
				CC2.3.3	BCM Steering Committee		RAP2.3.3(a)	Raise awareness on Business Continuity Management through quarterly news flash
							RAP2.3.3(b)	Training of BCM Co-ordinators
				CC2.3.4	BCM Infrastructure Condition Assessments		RAP2.3.4	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC2.3.5	ICT Disaster Recovery Plan		RAP2.3.5	Move ERWAT Disaster Recovery Site to a location far from Head Office in line with best practice
ERW3	Potential loss of the ISO 17025 accreditation	CF3.1	Aging instrumentation, scarcity of spares and discontinuation of instruments could result in loss of the approved testing methods impacting on service delivery both internally and externally	CC3.1(a)	Scheduled maintenance in accordance with ERWAT's Instrumentation maintenance Plan	High	RAP3.1(a)	Scheduled Instrumentation Maintenance Plan
				CC3.1(b)	Use of obsolete scrapped equipment spares		RAP3.1(b)	Capex 2 items: 2 x Flow injection analysers GC-MS equipment
		CF3.2	Lack of budget for planned maintenance of the laboratory building	CC3.2	Ad-hoc minor maintenance by the Maintenance Department on a daily, weekly and monthly basis.		RAP3.2	Implementation of building maintenance plans including power supply loads, building/ roof leaks, etc.
		CF3.3	Lack of control of the laboratory internal environmental temperature resulting in	CC3.3(a)	UPS at the Laboratory on certain instruments and central generator at Head office		RAP3.3	Develop Head Office Maintenance Plan (replacement of UPS batteries and scheduled maintenance on the batteries)

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
		CF3.4	Power and water supply disruption due to load shedding and unstable water supply	CF3.4	Storage tanks for de-ionised water.		RAP3.4	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
ERW4	Inadequate preparedness in the event of total grid collapse resulting in extended blackouts	CF4.1	Load shedding challenges facing the South African government	CC4.1	No current control	Med	RAP4.1	No further action plan due to the network configuration
		CF4.2	Thirty-Six (36) Gensets to power critical processes and UPS for the Laboratory	CC4.2	Gensets and UPS for a few		RAP4.2	Do a feasibility study on alternative energy such as Hydropower, Solar etc
		CF4.3	Gen-sets do not generate enough to power to operate the entire wastewater care works by its design				RAP4.3(a)	Repair all non-operational Gensets
							RAP4.3(b)	Procurement and installation of additional Gensets to increase the fleet
ERW5	Inability to spend in accordance with the allocated budget	CF5.1	High vacancy rate due to the backlog caused by the previous monotorium	CC5.1	ERWAT 2023/24 Recruitment Plan	Med	RAP5.1	Implementation of the 2023/24 recruitment plan
		CF5.2	Decline in bulk purchases; Electricity costs due to load shedding	CC5.2	ERWAT Procurement Plan		RAP5.2	Enhance the process by having additional chemical suppliers (Ops)
		CF5.3	Unavailability of chemicals in the market (Unavailability of fuel)	CC5.3	Variance report (budget vs actual spent)		RAP5.3	Enhance the budget variance process by sending variance reports to user departments
		CF5.4	Non award of tenders	CC5.4	Bid Specification Committee in place		RAP5.4	User department to ensure that they conduct a proper market research analysis and provide proof thereof
		CF5.5	Poor Contracts Management	CC5.5.1	Contracts Management Policy		RAP5.5.1	Implementation of the Contracts Management policy (reporting and reviewing of the contract register)
				CC5.5.2	Contractor performance assessments		RAP5.5.2	Report(monthly) on monitoring of contractor performance

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
				CC5.5.3	Contracts register			
		CF5.6	Delays in the processing of purchase orders	CC5.6.1	Adherence to SOP14 Turnaround time and control administrative measures		RAP5.6	SCM workshop on procurement of products and services(quarterly)
				CC5.6.2	Confirmation of budget prior to processing of purchase orders			
				CC5.6.3	SCM checklist for approval/contracts purchase orders in place			
ERW6	Inadequate revenue generation to supplement the approved budget	CF6.1	Inability to secure new business due to overhead costs that are higher than that of competitors. (Such as Manpower, laboratory, etc.)	CC6.1.1	Pricing Model. (Scientific Services Price Schedule)	Med	RAP6.1.1	Review of the Pricing Model.
				CC6.1.2	Manually Costing Per Project.		RAP6.1.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC6.1.3	Quarterly Business reviews		RAP6.1.3	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC6.1.4	Sourcing clients from the networks that ERCOM has built over the years		RAP6.1.4	Development of sales strategy and market penetration plan
		CF6.2	Loss of existing business through insourcing and companies closing down or reducing costs	CC6.2	Customer Satisfaction Survey		RAP6.2	Appointment of an independent service provider to conduct annual customer survey
		CF6.3	Inability to retain clients because there is no flexibility in price increment	CC6.3	Revised Commercial Business Policy		RAP6.3	Review of the Commercial Business Policy to include continuous improvement of policy conditions
		CF6.4	Business requirements limiting of entry to new market (Level of BBB-EE Compliance)	CC6.4	BBB-EE Task team in place		RAP6.4	Planning of all activities related to the requirements of the BBB-EE score card Annual review of BBB EE Compliance.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
		CF6.5	Expiry of existing customer contracts/non-renewal of expired contracts	CC6.5	Negotiations are scheduled prior to expiry date		RAP6.5	Develop a tracking sheet for early negotiation of contracts
		CF6.6	Long lead times from the city to initiate and implement PPP projects	CC6.6	No current control		RAP6.6	Tracking of the progress of the projects approvals
ERW7	Failure to meet capital expenditure set target	CF7.1	Delays in Supply Chain processes. (Including the effect of the Pandemic)-IPAP	CC7.1.1	Annual CAPEX Plan with projected cash flows for each project	Med	RAP7.1.1	Implementation of the 2023-2024 CAPEX Plan
				CC7.1.2	Standard Operating Procedure 14 Turn Around Time		RAP7.1.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF7.2	Late payment of contractors due to USDG Invoices being paid late	CC7.2.1	Usage of ERWAT funds to pay contractors		RAP7.2.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC7.2.2	Constant communication with CoE		RAP7.2.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF7.3	Members of the community and the local business forums demanding to be sub-contracted in the project.	CC7.3	Supply Chain Management Policy (Sub-contracting)		RAP7.3	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF7.4	Potential disruptions such as Contractor employees going on strike and/or any other disruption caused by contractor	CC7.4	Service Level Agreement		RAP7.4	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF7.5	Denial of contractor's access to ERWAT sites due to labour unrest	CC7.5	Disciplinary Procedure		RAP7.5	Disciplinary processes to be taken for illegal strikes as and when they arise
		CF7.6	Denial of contractor's access to ERWAT sites due to community unrest	CC7.6.1	Community Liaison Officer Appointed through ward councillors to assist with community engagement.		RAP7.6.1	Engage CSR office prior to commencement of construction project. (CSR plan to include Projects)

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
				CC7.6.2	Sub-contracting to local business on projects that requires less technical skills.		RAP7.6.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF7.7	Tender offer declined by the winning bidder	CC7.7	Supply Chain Management Policy		RAP7.7	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF7.8	Termination of contract due to poor performance of the contractor and unexpected withdrawal from projects by the contractor	CC7.8	Invoke penalties for poor performance in line with the Supply Chain Management Policy and related Service Level Agreements		RAP7.8	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
ERW8	Potential loss of key skills	CF8.1	Unexpected loss of key employees due to the resignation, retirement, death etc.	CC8.1.1	Recruitment Policy	Med	RAP8.1.1	Review the recruitment policy to include a section on the recruitment of foreign nationals and compulsory entry and exit medicals
				CC8.1.2	ERWAT Recruitment Plan		RAP8.1.2	Implementation of the 2023/24 Recruitment Plan
				CC8.1.3	ERWAT Progression Framework		RAP8.1.3	Review of existing Progression Framework to include other departments
				CC8.1.4	Skills Audit		RAP8.1.4	Implementation of the skills Audit a plan for the gaps identified in the skills audit
				CC8.1.5	Covid 19 Standard operating procedure		RAP8.1.5	Develop an ERWAT Epidemic/Pandemic policy
				CC8.1.6	Covid 19 Risk Assessment		RAP8.1.6	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC8.1.7	6-year Training and Development Plan		RAP8.1.7	Implementation of 2023/24 Annual Training Plan
		CF8.2	Dissatisfaction in the Working Environment (e.g. not fitting in with the	CC8.2.1	Medical Aid Policy		RAP8.2.1	Review the Medical Aid policy to include pension

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
			organisation's culture and inadequate working resources)	CC8.2.2	Employee climate survey		RAP8.2.2	Conduct an Employee Climate Survey
				CC8.2.3	Psychosocial support		RAP8.2.3	Implementation of the 2023/24 Employee Wellness Support Programmes
				CC8.2.4	Wellness workplace programmes		RAP8.2.4	Implementation of the 2023/24 Wellness Program
				CC8.2.5	Human Resource Management Roadshows		RAP8.2.5	Go on a Human Resources Road Show to raise awareness on Human Resource activities
		CF8.3	Individuals not coping with the work challenges, expectations on individuals not met and career advancement	CC8.3.1	Personal Development Plans		RAP8.3.1	Review of Personal Development Plans for the 2023/24 Financial Year
				CC8.3.2	Exit Interview as and when a need arise		RAP8.3.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
ERW9	Potential delays in the supply and delivery of critical goods and services as a result of procurement challenges	CF9.1	Late commencement of bid processes by user department and discrepancies around specifications	CC9.1.1	Supply Chain Management Policy	High	RAP9.1.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC9.1.2	SOP14 Turn Around Time		RAP9.1.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC9.1.3	ERWAT Procurement Plan		RAP9.1.3	Review the 2022/23 Procurement Plan for the 2023/2024 Financial Year
				CC9.1.4	BID Committees		RAP9.1.4	Appointment of Probity Committee to assist the Accounting Officer with compliance.

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
				CC9.1.5	BID Committee Charters		RAP9.1.5	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC9.1.6	SCM Document Movement Control Tracking Register implemented		RAP9.1.6	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF9.2	Inadequate monitoring of contract term by the user department	CC9.2 (a)	Contract Management Policy		RAP9.2	Implementation of the Contracts Management Policy (reporting and reviewing of the contract register)
				CC9.2 (b)	Contracts Management Register			
		CF9.3	Long lead time to deliver goods/ services due to external factors such as Pandemics, Rise in Logistics Cyber Attacks, Shortage of supplies & Consumables etc.	CC9.3	Service Master Contracts for Maintenance		RAP9.3	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
ERW10	Potential Loss of, and Unauthorised Access Critical Information	CF10.1	Aging ICT infrastructure leading to higher hardware failure (80%-85%) of the Server Hardware has reached end of life support, leading to difficulties in procuring replacement spare, warranties, etc)	CC10.1	Asset Management Policy, Strategy and Disaster Recovery Plan (Cloud back-up)	High	RAP10.1 (a)	Replacement of server infrastructure
							RAP10.1 (b)	Upgrade unsupported operating systems
		CF10.2	Inadequate cyber security awareness and behaviour	CC10.2	ICT security awareness programs: (News Flash, Induction, Cyber security surveys, Mimecast)		RAP10.2	Raise awareness Cyber-Security through quarterly news flash
		CF10.3	Inadequate Information Security Controls	CC10.3.1	ICT Security Policy and Procedures		RAP10.3.1	Develop a User Access Review Standard Operating Procedure

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
				CC10.3.2	Access control policy		RAP10.3.2	Develop a back-up and restoration Standard Operating Procedure
				CC10.3.3	Logical access policy		RAP10.3.3	Develop a Cyber-Security policy
		CF10.4	Non- adherence to ICT Policies and Procedure	CC10.4 (a)	Disciplinary Procedure		RAP10.4	Raise awareness on ICT Policies through quarterly news flash
				CC10.4 (b)	Induction Program			
		CF10.5	Inadequate maintenance of Assets that are critical to ICT Environment (e.g. fire equipment in the server room, air conditioning system, UPS, Power Generators, location of server room, etc.)	CC10.5	CC10.5 Maintenance of ICT critical equipment TBC (Who is responsible for executing the maintenance function e.g. servicing of fire equipment, ups, generators)		RAP10.5	Annual Servicing of the Fire Fighting Equipment (Fire Extinguishers & Fire Hydrants)
		CF10.6	Inadequate monitoring of ICT server environment	CC10.6 (a)	Manually Monitoring of the Environmental Conditions		RAP10.6	Implementation of an Environmental Monitoring System in the server room to control temperature, humility and power
				CC10.6 (b)	Temperature Data Logger			
		CF11.1	Non- Compliance/ disregarding (Knowingly or unknowingly) Occupational Health & Safety policies and Standard operating procedures. (e.g. Inappropriate use of PPE;)	CC11.1.1	Occupational Health & Safety Policy		RAP11.1.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC11.1.2	Occupational Health & Safety Procedures (SOPs) -MS- SOP-SA002 Health and Safety Representative Procedure -MS- SOP-SA003 Accident Reporting and Investigation Procedure -MS- SOP-SA004 Permit to Work Procedures		RAP11.1.2(a)	Development of Occupational Health Standard Operating Procedures: Employee Assistance Programme
							RAP11.1.2(b)	Review of Safety Standard Operating Procedures 1. Occupational Health & Safety Procedures (SOPs) 2. MS- SOP-SA002 Health and Safety Representative Procedure

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
	Potential injuries to people (personnel, visitors and contractors) and damage to property				-MS- SOP-SA005 Confined Space Procedure -MS- SOP-SA006 Excavation Procedure -MS- SOP-SA007 Wearing of Safety Harness -MS- SOP-SA008 Fall Protection Plan -MS- SOP-SA009 Control of contractors working at ERWAT -MS- SOP-SA0010 HSE Plan			3. MS- SOP-SA003 Accident Reporting and Investigation Procedure 4. MS- SOP-SA004 Permit to Work Procedures 5. MS- SOP-SA005 Confined Space Procedure 6. MS- SOP-SA006 Excavation Procedure 7. MS- SOP-SA007 Wearing of Safety Harness 8. MS- SOP-SA008 Fall Protection Plan 9. MS- SOP-SA009 Control of contractors working at ERWAT 10. MS- SOP-SA0010 HSE Plan
				CC11.1.3	Occupational Health & Safety Committees (Monthly District Safety Committee, Quarterly Central Safety Committee)		RAP11.1.3	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC11.1.4	Safety Awareness Program (Toolbox talks)		RAP11.1.4(a)	Raise Safety Awareness through quarterly newsflash
							RAP11.1.4(b)	Conduct a Safety Drill to increase safety awareness
				CC11.1.5	Safety Induction		RAP11.1.5	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
		CF11.2	Deteriorating workplace condition due to inadequate maintenance	CC11.2.1	2022/2023 Maintenance Plan		RAP11.2.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC11.2.2	Medical Surveillance policy		RAP11.2.2	Develop a Medical Surveillance Standard Operating Procedure to expand on the baseline and categories of employees

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans	
		CF11.3	Unauthorised entry to ERWAT properties with the aim of vandalising, threat to lives, theft, (armed robberies)	CC11.3.1	Security Services Policy		RAP11.3.1	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC11.3.2	Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures		RAP11.3.2	The current mitigation controls are deemed to be adequate. Therefore, no further risk action plan to be implemented.
				CC11.3.3	Security Awareness Program (Induction,Newsletters,Flash)		RAP11.3.3	Implementation of the Security Awareness Programs for 2023/2024
		CF11.4	Unavailability of Fire Detection & Suppression System for the buildings	CC11.4	Fire extinguishers and Fire Hydrants		RAP11.4	Annual Servicing of the Fire Fighting Equipment (Fire Extinguishers & Fire Hydrants)
								Raise Safety Awareness through quarterly newsflash
								Conduct a Safety Drill to increase safety awareness

10. LEGISLATIVE (ONLY IF APPLICABLE TO YOUR DEPARTMENT)

Compliance with legislation that applies to the entity is critical to the existence and operations of ERWAT. Management and the board has identified and prioritised seven (7) key legislation for monitoring. Compliance risk management plans are developed to ensure that all the risks are mitigated. Any changes to legislation is aligned with internal policies and processes The Regulatory Landscape consist of the following

1. Companies Act 71 of 2008
2. Municipal Systems Act 32 of 2000
3. National Water Act 36 of 1998
4. National Environmental Management Act
5. Municipal Finance Management 56 of 2003
6. Labour Relations Act 66 of 1995
7. Occupational Health and Safety Act 85 of 1993
8. Disaster Management Act 57 of 2005

SECTION 11: CONCLUSION

In the 2023/2024 financial period ERWAT plans refocused itself to the achievement of operational excellence in water care and resource recovery.

One of the key steps taken towards this objective is to continue to align our budget to our strategic objectives.
2020/2021, ERWAT has developed the **ERWAT 5 Step Budgeting Model** in order to guide the allocation of funds to the higher risk areas and where we will get the greatest benefit from the expenditure.

The **ERWAT 5 Step Budgeting Model** is outlined as follows:

NO COST	OPEX 1	CAPEX 1	OPEX 2	CAPEX 2
This refers to all the activities that can be executed without any cost, save for the time to be spent on doing such and activity. An example will be drafting of a plan or a SOP	This refers to the activities that can be executed using the **approved** Operational Budget. An example is purchasing of chemicals for the treatment process	This refers to activities that can be executed using the **approved** Capital Budget, being the allocated portion of the USDG	This refers to the activities that cannot be executed due to insufficient funding of the Operational Budget required to achieve the strategic objectives. An example is the repairs and maintenance budget	This refers to activities that cannot be executed due to insufficient funding of the Capital Budget required to achieve the strategic objectives. An example is the funding required to upgrade / expand plants

The **ERWAT 5 Step Budgeting Model** has been integrated into the Strategic Risk Register, Operation Clean Audit Control Sheet (OPCA), the Internal Audit Tracking Tool, The Risk Abatement Plans (W2RAP) and Governance Assurance Model. ERWAT believes that this integrated approach will allow us to make progress towards the achievements of our strategic objectives, clearance of audit findings and managing risk. This will allow ERWAT to quantify aspects that cannot be addressed as a result of a lack of OPEX 2 and CAPEX 2. This then increases the business risk which must be monitored.

SECTION 12: ANNEXURES

ANNEXURE A: DETAILED 4-YEAR ROLLING CAPEX PLAN - See herein the embedded document

4-year capex plan for
SDBIP 2024 2025

TABLE A – ADJUSTED REVENUE BUDGET

Description	2023/2024 Original Budget	2023/24 Proposed Budget Adjustment	2023/24 Adjusted Budget	2023/24 Adjustment Percentage	2024/25 Budget Request	% Increase 2024/25	2025/26 Budget Request	% Increase 2025/26	2026/27 Budget Request	% Increase 2026/27
Revenue By Source										
Interest Income	6 500 000	26 893 602	33 393 602	413.75%	33 393 602	0.00%	33 393 602	0.00%	34 000 000	1.82%
Commercial Business	35 700 000	- 4 500 000	31 200 000	-12.61%	34 320 000	10.00%	37 752 000	10.00%	41 527 000	10.00%
			-							
Service Charges	**1 359 429 724**	**51 343 433**	**1 410 773 157**	**3.78%**	**1 510 470 206**	7.07%	**1 617 249 770**	7.07%	**1 731 619 032**	7.07%
- Service Charges - CoE	1 293 698 672	-	1 293 698 672	0.00%	1 384 257 579	7.00%	1 481 155 609	7.00%	1 584 836 502	7.00%
- Service Charges - Lesedi	23 573 206	-	23 573 206	0.00%	26 166 259	11.00%	29 044 547	11.00%	32 239 447	11.00%
- Service Charges - JHB Water	42 157 846	51 343 433	93 501 279	121.79%	100 046 368	7.00%	107 049 614	7.00%	114 543 083	7.00%
Total Revenue (Excl. Grants & Subsidies)	**1 401 629 724**	**73 737 035**	**1 475 366 759**	**5.26%**	**1 578 183 808**	**6.97%**	**1 688 395 372**	**6.98%**	**1 807 146 032**	**7.03%**

TABLE B – ADJUSTED OPERATING EXPENDITURE

Description	2023/2024 Original Budget	2023/2024 Virements YTD 31 Dec 2023	2023/24 Proposed Budget Adjustment	2023/24 Adjusted Budget	2023/24 Adjustment Percentage	2024/25 Budget Request	% Increase 2024/25	2025/26 Budget Request	% Increase 2025/26	2026/27 Budget Request	% Increase 2026/27
Expenditure By Type											
Bulk Purchases and materials	400 223 852	- 13 833 785	- 7 452 401	378 937 666	-5.32%	440 187 091	16.16%	506 882 153	15.15%	530 523 415	4.66%
Debt impairment	1 856 135	-	-	1 856 135	0.00%	1 742 850	-6.10%	1 742 850	0.00%	1 864 850	7.00%
Depreciation and amortisation	103 878 876	-	25 139 491	129 018 367	24.20%	141 920 210	10.00%	156 112 215	10.00%	173 440 678	11.10%
Employee related costs	488 794 282	-	766 168	489 560 450	0.16%	517 996 192	5.81%	537 548 959	3.77%	578 161 804	7.56%
Finance costs	27 929 554	-	8 601 072	36 530 626	30.80%	39 087 769	7.00%	41 823 913	7.00%	44 751 587	7.00%
General expenditure	222 948 154	12 753 643	34 753 807	270 455 604	21.31%	226 589 414	-16.22%	234 915 341	3.67%	251 500 366	7.06%
Impairment	-	-	11 928 908	11 928 908	100.00%	6 122 649	-48.67%	1 667 133	-72.77%	4 552 273	173.06%
Repairs and maintenance	155 998 871	1 080 142	-	157 079 013	0.69%	178 663 660	13.74%	180 017 657	0.76%	192 726 902	7.06%
Total Operating Expenditure	**1 401 629 724**	-	**73 737 045**	**1 475 366 769**	**5.26%**	**1 552 309 835**	**5.22%**	**1 660 710 221**	**6.98%**	**1 777 521 875**	**7.03%**