



# BUDGET 2025/2026

## Annexure 2D

2025/2026

Entity SDBIP

Ekurhuleni Water Care Company (ERWAT)


Water Sanitation and Energy Cluster

a partnership that works  
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City of Ekurhuleni

### Sign Off:

MD Signature : 

Date : 24 June 2025

MMC Signature : 

Date: 25 June 2025

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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:

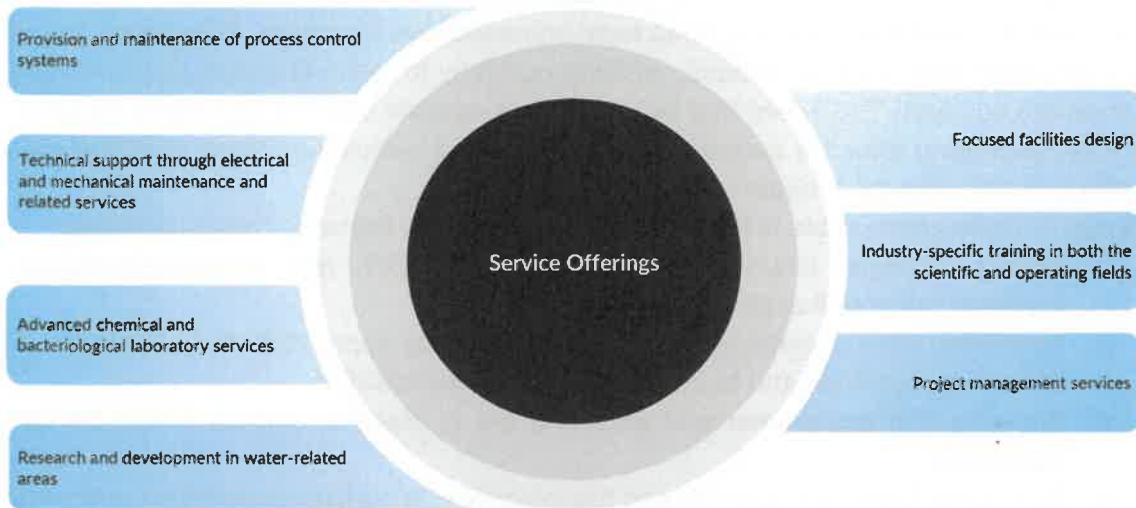
- Northern Drainage District (DD3)
- Upper Blesbokspruit Drainage District (DD4)
- Lower Blesbokspruit Drainage District (DD5)
- Kliprivier Drainage District (DD6)

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**

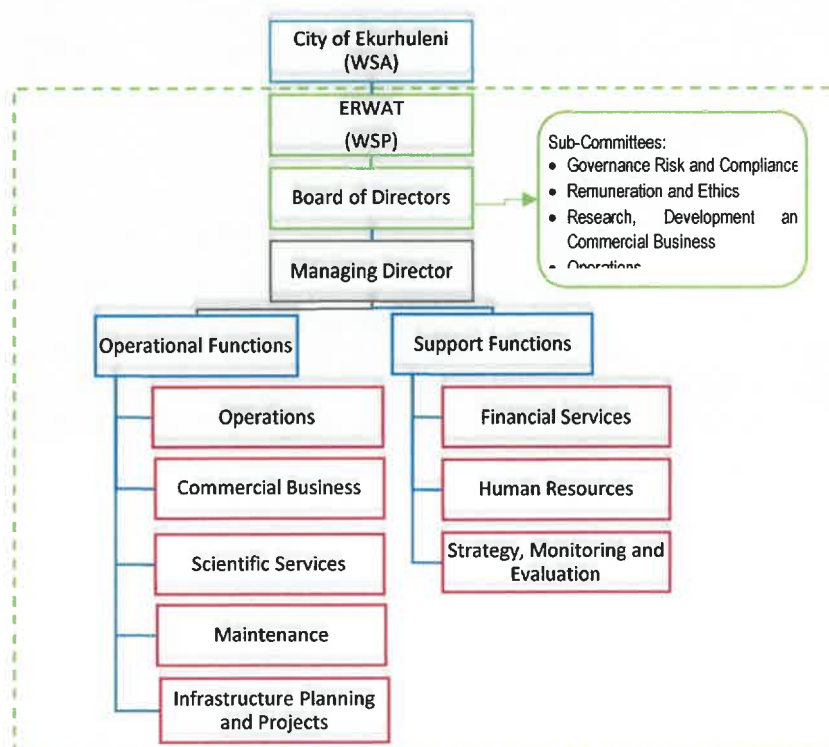
## 1.2 CORPORATE GOVERNANCE

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 Figure 4 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.

Trends	<b>Global Energy Transition</b>  Decarbonization efforts to combat the effects of human-induced climate change.  Global shift in energy mix towards renewables and decentralized power generation	<b>Technological Innovations</b>  Cycles of disruptive technological innovation.  Increasing in frequency, and amplitude.  General trends towards digitalisation of information and systems	<b>Demographics</b>  Exponential growth in global population. Africa is experiencing a youth boom.  Rapid urbanization in Africa, Asia and South America.  Buffering against local constraints.	<b>Geo-politics</b>  Import of clean water from Zimbabwe.  Generalized and sustained shift of power from traditional to emerging powers. New Scramble for Africa and its resources.  Water scarcity across the world
	<b>Embedded Generation</b>  The current energy crisis, as well as the move towards increasing renewables and embedded generation, create opportunity for sustaining current operations through self generation	<b>Disruptive Technologies</b>  Striving for real-time visibility.  Operational risks prompt ERWAT to seek alternative financing.  Improvements in IT infrastructure are necessary for digital advancement.	<b>Urbanisation</b>  Rising demand for water and energy which will put stress on water management infrastructure.  Development backlogs and informal settlements close to water systems risk the local environment and water safety	<b>Trade &amp; Resources</b>  Integrated SADC community - realise a positive impact of water sustainability in the country.  South Africa's catchments are intricately interlinked.  IWRM has an integrated approach to water management at the catchment and river basin scale.
Impacts				

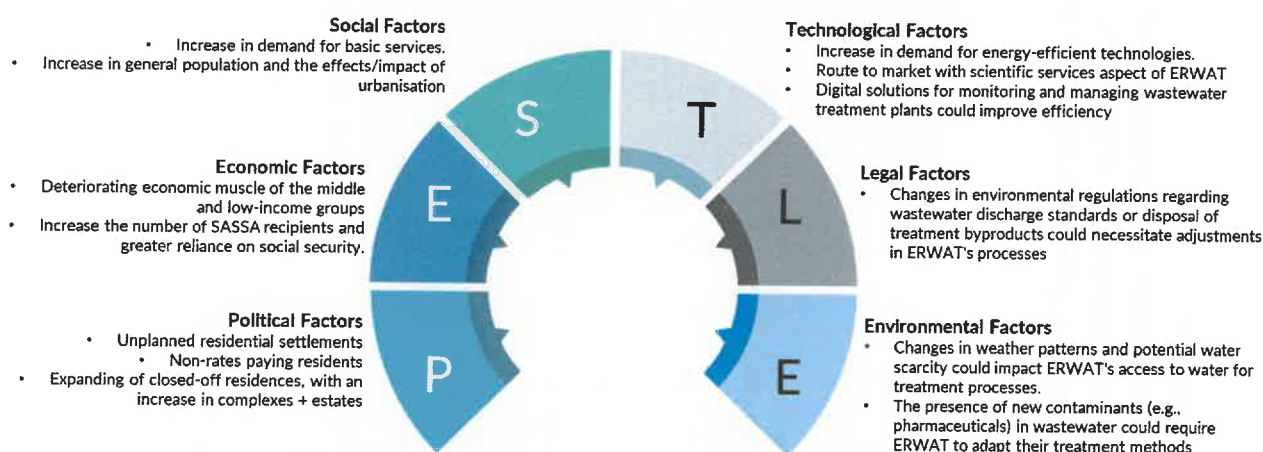
Figure 4: Four mega trends are impacting the globe



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.

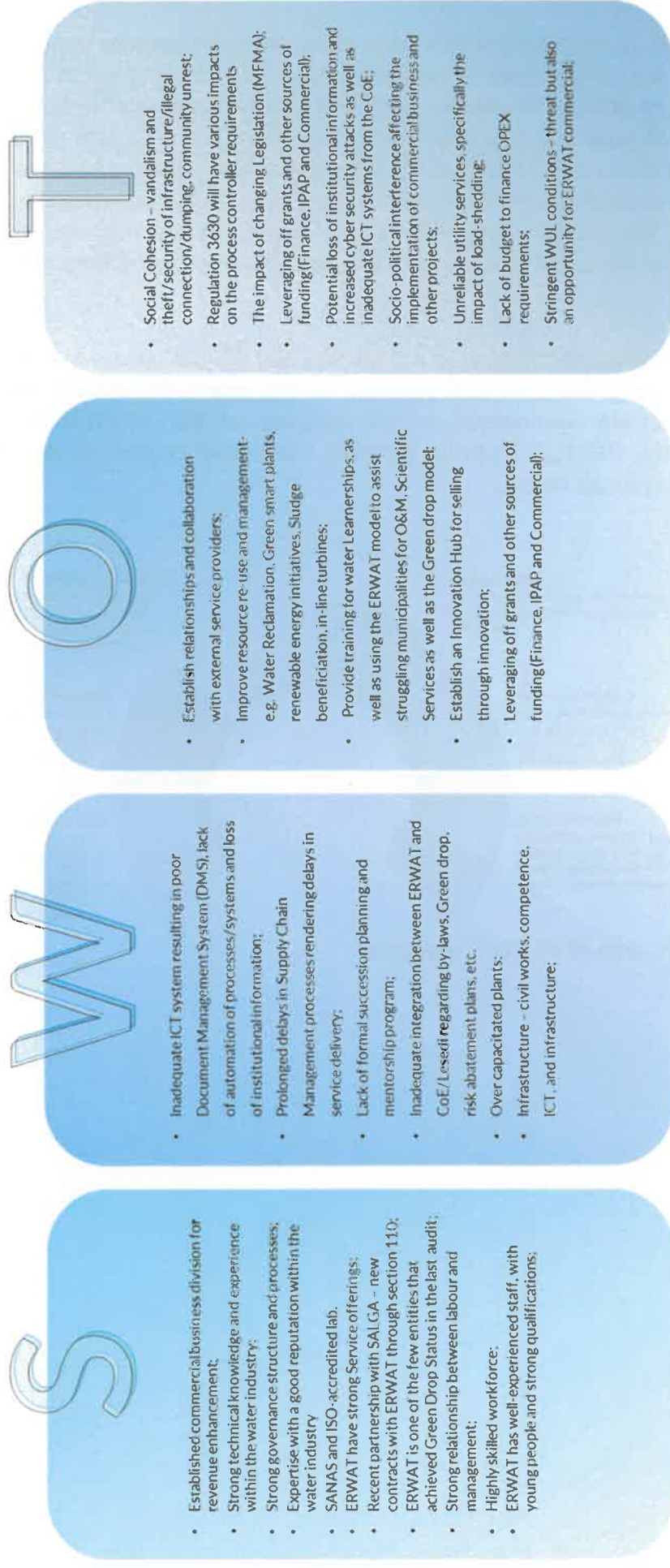


Figure 6: SWOT analysis

## 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.

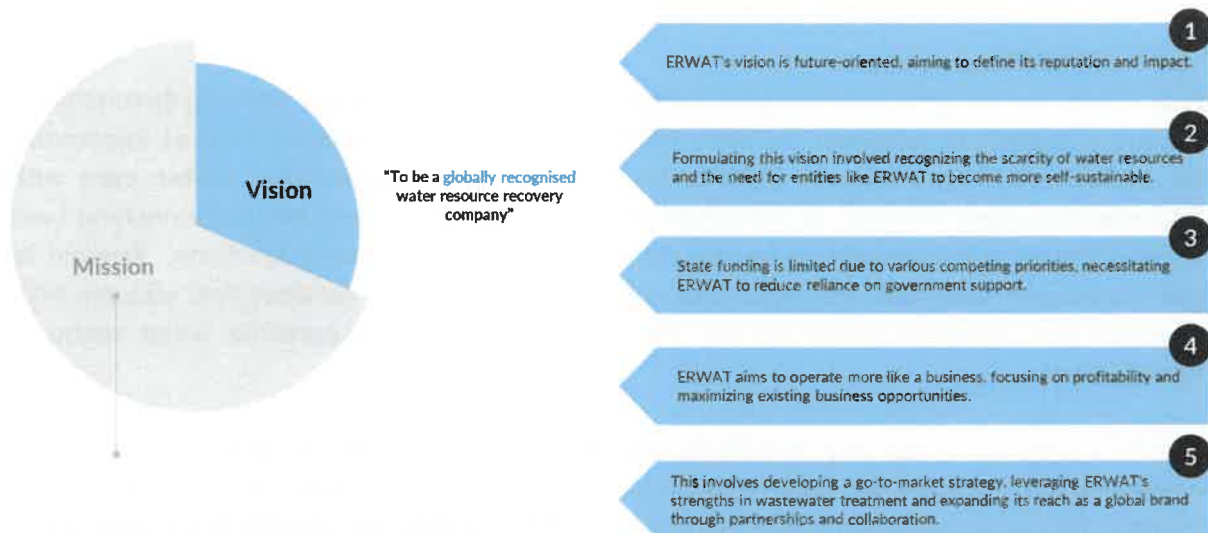
ERWAT's core mandate remains steadfast: to provide essential wastewater treatment services to the City of Ekurhuleni, its majority shareholder. However, in shaping ERWAT's future strategy and purpose, it's imperative to acknowledge that the company operates within a dynamic global landscape. Rapid urbanisation, 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.

"ERWAT is a leader in *sustainable water care and water resource recovery*, committed to delivering high-quality, environmentally responsible, and affordable services.

We achieve this through smart organisational practices, innovative technologies, and collaborative partnerships.

*Collectively*, we protect *water resources* and ensure a sustainable future for the City of Ekurhuleni and *beyond*."

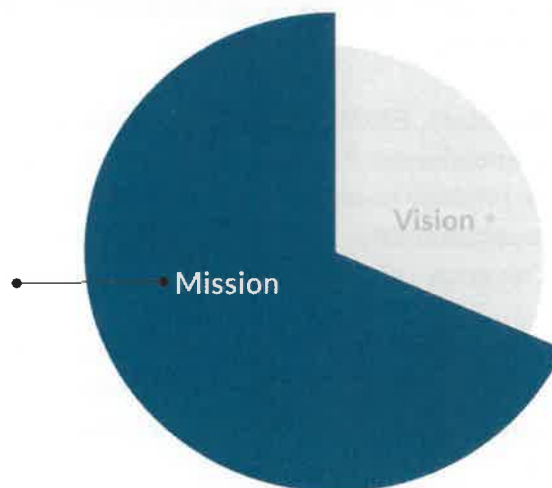


Figure 8: ERWATs mission statement

#### 1.6.4 Strategic objectives

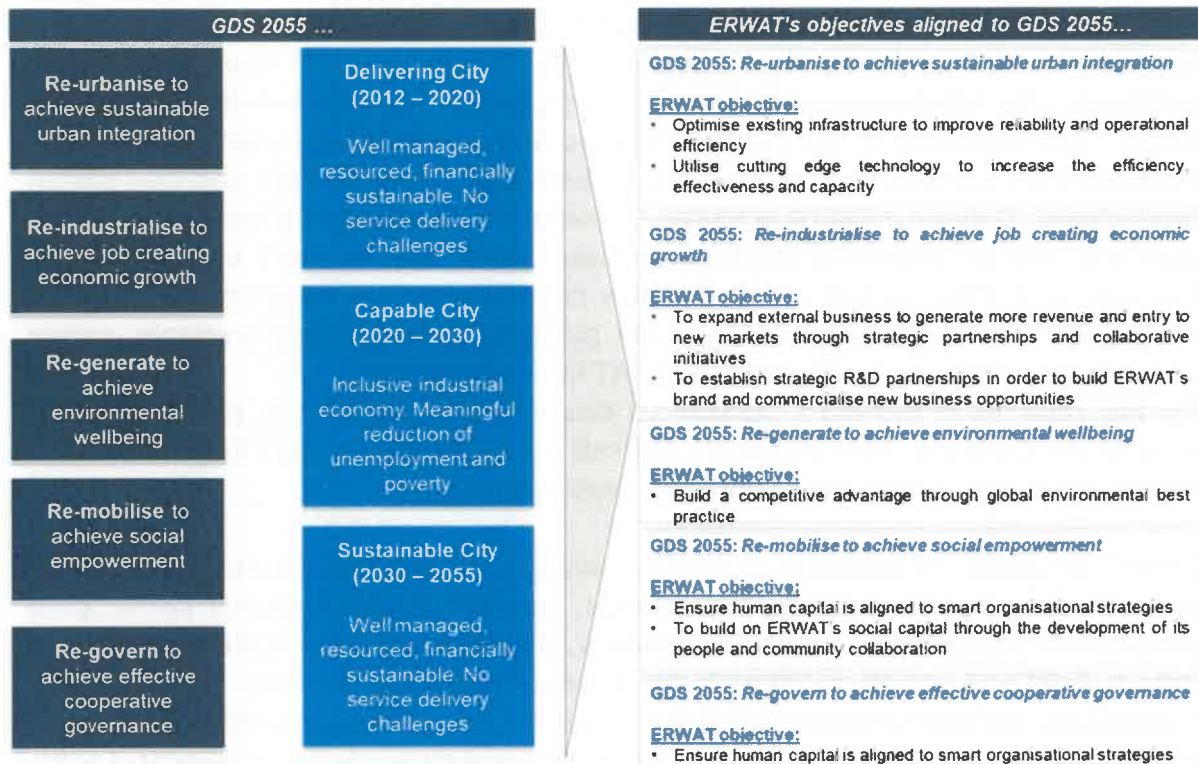
ERWAT's strategy is anchored in two key objectives:

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 3 in 2024/2025)**

LEVEL OF PLANNING	OUTCOME	INDICATORS	Q3 TARGET 2024/2025	Q3 PERFORMANCE 2024/25	COMMENTS
Direct Outcome	Improved Quality of water (including wastewater)	Percentage of wastewater treatment capacity unused	-50%	-38%	Achieved
Direct Outcome	Improved Quality of water (including wastewater)	Total revenue generated from external business	R 8.25 million	R 10.69 million	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%	87%	Achieved
Direct Outcome	To build a clean, Capable and Modernised Local State	Percentage of Capital Expenditure Budget Spent on Planned Projects	70%	70.39%	Achieved
Output	Improved Quality of water (including wastewater)	Support SMME's through ensuring appropriate application of preferential procurement practices	60%	72%	Achieved
Output	To build a clean, Capable and Modernised Local State)	Number of repeat audit findings	Not reportable	Not reportable	N/A
Direct Outcome	Improved Quality of water (including wastewater)	Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)	Not reportable	Not reportable	N/A
Output	Financial management	Percentage of total municipal operating expenditure spent on	6%	50%	Achieved

LEVEL OF PLANNING	OUTCOME	INDICATORS	Q3 TARGET 2024/2025	Q3 PERFORMANCE 2024/25	COMMENTS
		contracted services physically residing within the municipal area			
Output	Financial management	Total Operating Expenditure as a percentage of Total Operating Budget	70%	60.14 %	Not Achieved, but exempted from performance calculation in 2024/2025
Output	Financial management	Irregular, Fruitless and Wasteful, Unauthorised Expenditure as a percentage of Total Operating Expenditure	0%	2%	Not achieved
Output	Financial management	Repairs and Maintenance as a percentage of property, plant, equipment and investment property	Not reportable	Not reportable	N/A
Output	Financial management	Percentage of tender cancellations	10%	0%	Achieved
Direct Outcome	Financial management	Net surplus/deficit margin for wastewater services	Not reportable	Not reportable	N/A

## **2.2 CITY-WIDE SDBIP**

### **KPI 1 – City-wide**

#### **Percentage of wastewater treatment capacity unused**

##### **Method of Measure**

((1) Total volume of wastewater treated over the last year / ((2) Daily wastewater treatment plant available design capacity x cumulative number of days))]

##### **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**

-38%

##### **Comment**

Target is achieved due realistic target setting given the prevailing inundation challenges.

##### **Reasons for Variance**

Water Care Works received lesser than amounts of daily inflows.

##### **Corrective Measure**

Even though the target was achieved the intention is to eliminate completely the negative unused capacity and have at least 20% unused capacity. To this end more financial resources are required to eliminate any negative unused capacity and create some spare capacity. 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 budget allocation. ERWAT cannot commit to a specific date due to unavailability of budget.

## **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 sales report with a balance that agree to the amount reported for SDBIP purposes)

#### **Q3 Target**

R8.25 million

#### **Q3 Actual**

R10 689 387

#### **Comment:**

The revenue target for Quarter 3 was achieved and exceeded with a positive variance of R2 439 387

#### **Reason for variance**

The revenue target was successfully achieved due to the continued execution of current projects, as well as the additional revenue generated from beneficiation projects.

#### **Remedial action**

Maintain the current client base 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**

Unqualified Audit Opinion

##### **Q3 Actual**

Unqualified Audit Opinion

##### **Comment:**

Target achieved

##### **Reason for variance**

The target was due to improved internal controls and processes.

##### **Remedial action**

None, as target was achieved

#### **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**

87 %

#### **Comment**

KPI Achieved

The entity achieved 87% Quarterly target by a positive variance of 12% compared to the 11% positive variance in Q2. The 1% increase was mainly due to the low strength raw inflows received; this normally occurs during wet seasons as the stormwater ingress tends to dilute the raw sewage inflows.

#### **Reason for variance**

Although the Quarterly target has been met the following ongoing challenges are experienced by the WCW operated by ERWAT. Also see Section 3.3.

Critical equipment failures

Industrial pollution

Power outages

- Critical equipment failures

The critical equipment failures are expressed as a percentage (%) of the number of critical equipment failures over the reporting period divided by the total number of duty critical equipment that directly impacts final effluent water quality. The following WCWs Benoni, Hartebeestfontein, Dekema, Rynfield, Welgedacht, Tsakane, Vlakplaats, Rondebult and

Esther Park experienced the most critical equipment failures impacting directly on the effluent compliance, average negative variance of 1.28% as compared with the prior quarter. These negative variances occurred within different months in the quarter.

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.

WCW	% of critical equipment not available Q3 2024/2025	% of critical equipment not available Q2 2024/2025
Ancor	0%	0%
Benoni	48%	43%
Carl Grundlingh	0%	0%
Daveyton	2%	2%
Dekema	34%	45%
Esther Park	11%	0%
Hartebeestfontein	38%	29%
Heidelberg	5%	5%
Herbert Bickley	7%	5%
Jan Smuts	2%	0%
JP Marais	7%	0%
Olifantsfontein	7%	1%
Ratanda	4%	4%
Rondebult	13%	29%
Rynfield	32%	37%
Tsakane	21%	9%
Vlakplaats	17%	21%
Waterval	4%	6%
Welgedacht	27%	18%
	<b>14.65%</b>	<b>13.37%</b>
<b>Average of 19 WCW</b>	<b>5 remain unchanged, 5 improvements and 9 deteriorated.</b>	<b>2 remain unchanged, 5 improvements and 12 deteriorated.</b>

The average critical equipment failures between Q2 2024-2025 and Q3 2024-2025 have increased by about 1.28%.

- Power outages

Although ESKOM no longer implements load shedding, WCW continue to experience significant power supply interruptions. The WCWs tabulated below experienced frequent power failures during Quarter 3 impacting the compliance of the WCWs directly. It must be noted that the impact of power outages, have an increasing detrimental impact on the WCW ability to treat wastewater, despite the availability of standby generators. It can be noted that in total 1193 hours power failures were experienced on the WCW in Q3, compared to 1421 hours in Q2- a decrease of 228 hours.



Some of the WCW do not have installed generators at all critical plant processes whilst others are not operational, awaiting repairs and maintenance.

Plant	Quarter 3 2024/2025					Total hours without power
		Scheduled Load Reduction	Total hours Load Reduction	Power failures	Total hours Power Failures	
Benoni	DD3	9	17	9	19	54
Esther Park	DD3	3	6	6	21	27
Hartebeestfontein	DD3	7	14	10	162	176
Olifantsfontein	DD3	0	0	0	0	0
Rynfield	DD3	10	23	22	47	70
Ancor	DD4	14	29	2	24	52
Daveyton	DD4	16	34	15	70	104
Jan Smuts	DD4	20	42	3	22	63
JP Marais	DD4	15	33	11	74	107
Welgedacht	DD4	0	0	5	46	46
Herbert Bickley	DD5	9	23	0	0	23
Heidelberg	DD5	13	28	36	154	182
Tsakane	DD5	14	33	0	0	33
Ratanda	DD5	8	16	15	89	105
Carl Grundlingh	DD5	0	0	1	10	10
Dekema	DD6	9	23	0	0	23
Rondebult	DD6	15	30	9	26	57
Vlakplaats	DD6	15	35	5	26	61
Waterval	DD6	0	0	0	0	0
<b>Total number of hours without electricity on all impacted Water care Works for Q3</b>						<b>1193</b>

It is important to take note that although the water quality compliance target was achieved, serious ongoing challenges remain mainly due to power outages associated with bulk electrical supply failures and load reductions in selected areas. The following WCW experienced the greatest number of power supply interruptions periods (hours) in Q3; Heidelberg (182), Hartebeestfontein (176), JP Marais (107), Ratanda (105), Daveyton (104), Rynfield (70) Jan Smuts (63), Vlakplaats (61) and Rondebult (57)

- Industrial pollution incidents:

The industrial pollution is a phenomenon whereby industries (or other users) clean tanks, process units and dump the contents in the sewer lines. Such contents are normally characterised by high concentrated impurities or impurities the WCW wouldn't have been designed for, e.g. vehicle oils or lubricants. Even though ERWAT monitor, sample analyse and report to CoE the industrial pollution received at the various WCW daily, 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

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 results in the inability of the Works to meet the final effluent compliance levels. The total number of industrial pollution incidents decreased in Q3 as compared to Q2, as detailed in the Table below.

	Number Of Industrial Pollution Incidents during Q3 2024/2025	Number Of Industrial Pollution Incidents during Q2 2024/2025
Benoni	12	59
Esther Park	8	36
Hartebeestfontein	7	18
Olifantsfontein	29	45
Rynfield	0	0
Ancor	6	60
Daveyton	0	0
Jan Smuts	5	49
JP Marais	0	11
Welgedacht	2	9
Carl Grundlingh	0	5
Heidelberg	6	42
Herbert Bickley	26	62
Ratanda	0	0
Tsakane	0	0
Dekema	3	0
Rondebult	3	32
Vlakplaats	1	5
Waterval	7	0
<b>Total</b>	<b>115</b>	<b>433</b>

Olifantsfontein, Herbert Bickley, Benoni, and Esther Park WCW were impacted the most by industrial pollution in Q3, the overall pollution incidents has decreased by 3 folds in Q3 compared to Q2.

## **Remedial Action:**

### 1. 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. Adequate OPEX funds are urgently required to implement the full asset care plans and reduce the failure rate and improve reliability. A War Room (comprising of Operations, Maintenance, Finance, Strategy, Monitoring & Evaluation, Infrastructure Planning and Projects Departments and Office of the Managing Director) has been established to closely monitor progress implementation of outstanding critical maintenance work and improve the internal business processes.

### 2. Power supply outages

Short to medium term: Standby diesel generators are available at some of the most critical process units of the various WCW. Several new generators have been procured to cover all WCW critical process units.

### 3. 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 City will be invoiced for increased organic content (strength) beyond the capabilities of the relevant WCW.

**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**

70%

**Q3 Actual**

70.39%

**Comments**

Quarterly target was achieved with a positive variance of 0.39%.

**Reasons for variance**

Effective Project Management approach and proper Project Planning in place

**Remedial action:**

None

## **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 as 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**

72%

#### **Comments**

Target achieved.

#### **Reason for variance**

A positive variance of 12% is noted. Bidders are invited to complete the scoring criteria under the MBD 6.1 form that provides for bidders whose BEE status falls within a EME or QSE.

#### **Remedial action**

None

**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 6 (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**

N/A

**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**

50%

##### **Comment:**

Target Achieved.

##### **Reasons for variance**

A total operating expenditure value of R211 498 388.16 was paid on contracted services (all active contracts that were awarded through the public procurement process) whereof R105 522 707.85 were paid to contracted services within the municipal area (COE).

##### **Remedial actions**

None



## **KPI 10 – Departmental SDBIP**

**Total Operating Expenditure as a percentage of Total Operating Expenditure Budget<sup>1</sup>**

### **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**

60.14%

### **Comment:**

Target not achieved

### **Reasons for variance**

Under expenditure is mainly on repairs & maintenance, general expenditure, interest expense and depreciation.

#### *Repairs and maintenance:*

Repairs and Maintenance, under expenditure is driven by a backlog in maintenance work.

#### *General expenditure:*

The transport and freight - sludge management contract that was awarded in the third quarter therefore monies could not be expended.

The health, safety and protective clothing contract (which was previously deemed irregular), only lapsed during the third quarter.

#### *Depreciation:*

Depreciation expense was slightly lower than projected due to the delayed acquisition of plant equipment that only occurred towards the end of the third quarter.

### **Remedial actions:**

---

<sup>1</sup>This indicator has been identified by National Treasury on 30 May 2024 (Ref No: EKU/2) as having reporting challenges and will be exempted from reporting for the 2023/24 and 2024/25 financial year until the definition of the indicator is revised in the upcoming 2025/26 Addendum 6 of the MFMA C88 to provide clear guidance to municipalities on how to report accurately. It has just been included in this scorecard for monitoring purposes by the City

*Repairs & maintenance:*

The under expenditure is being addressed and overseen by the Managing Director at the WAR room with a focus on spending all the budget before year end.

*General expenses:*

The expenditure for health and safety items is anticipated to be done on existing transversal contracts, which should be realised in the fourth quarter.

The pending end planned work on the transport and freight - sludge management contract will ensure significant expenditure during the fourth quarter.

*Depreciation:*

Ensure that assets are acquired timeously and depreciated as soon as they have been brought into use.

## **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. Unauthorised 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**

2%

#### **Comment:**

Target not achieved.

#### **Reasons for variance**

A total of R20 406 779 irregular expenditure and a total of R6 792 881 Fruitless and wasteful expenditure was noted. The irregular expenditure incurred is as a result of prior year findings raised by the AG on non-compliance matters.

#### **Remedial actions:**

Internal controls are put in place to reduce and eliminate irregular, fruitless and wasteful expenditure.

**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**

Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited annual financial statements should be used.

**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**

No bid cancellations were approved during the period under review.

**Remedial actions:**

None

**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, overhead 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. Overhead 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.

**Evidence**

Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited annual financial statements should be used.

**Q3 Target**

N/A

**Q3 Actual**

N/A

**Comment:**

N/A

**Reasons for variance**

N/A

**Remedial actions:**

N/A

### **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 (KPA) 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 indicate 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.

Please 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

<b>BUSINESS AS USUAL</b>	<b>KEY STRATEGIC INTERVENTION</b>
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 2023/2024 (MTREF)	Target for 2024/2025 (MTREF)	Target for 2025/2026 (MTREF)	Target for 2026/2027 (MTREF)	Target for 2027/2028 (MTREF)	Indicator Definition	Portfolio of Evidence
<b>National Prescribed Indicators</b>													
	ERWAT	Improved Quality of water (including wastewater)	WS 4.2	Percentage of wastewater samples compliant to water use license conditions	90%	*75%	75%	85%	89%	90%	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.	Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system(19 WCW) drawn from LIMS (
												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)	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 2023/2024 (MTREF)	Target for 2024/2025 (MTREF)	Target for 2025/2026 (MTREF)	Target for 2026/2027 (MTREF)	Target for 2027/2028 (MTREF)	Indicator Definition	Portfolio of Evidence
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 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	(available capacity) per WCW for the ERWAT system (total of 19 WCW) 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 2023/2024 (MTREF)	Target for 2024/2025 (MTREF)	Target for 2025/2026 (MTREF)	Target for 2026/2027 (MTREF)	Target for 2027/2028 (MTREF)	Indicator Definition	Portfolio of Evidence
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	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	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).
2. To note that ERWAT has provided comments to the water and sanitation technical working group on the challenges with reporting on the indicator WS 4.2 as is. Whilst the committee is reviewing the submission, ERWAT is reporting on the compliance of wastewater samples in terms of the ERW 1.3 indicator.

TABLE 2: ALIGNMENT OF DEPARTMENTAL KEY PERFORMANCE AREAS TO STRATEGIC PRIORITIES – CITY WIDE SCORECARD FOR 2025/2026

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																								
Infrastructure Services Cluster																								
Ekurhuleni Water Care Company (ERWAT)																								
Outcome	Performance Indicator (Output)	Performance Indicator (Output)	Baseline 2024/25 (Q4)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details					
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX	OPEX Description	Limit-Item			
Improved Quality of water (including wastewater treatment capacity)	WS Perc entage of wastewater treatment capacity	4.31	42%	50%	-	50%	-	50%	-	50%	CAPEX	Total allocated budget	The percentage of wastewater treatment capacity unused	Date and signed report indicating actual flow received	7312646002		P-CNIN FURN & OFF EQUIP							
					-	50%	-	50%	-	50%	CAPEX				7314646002		P-CNIN FURN & OFF EQUIP							
					-	50%	-	50%	-	50%	CAPEX				7343645602		P-CNIN MACHINERY & EQUIP							
					-	50%	-	50%	-	50%	CAPEX				7352644942		P-CIN SAN W/W TREAT WRKS							

**2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS**

**Infrastructure Services Cluster**

**Ekurhuleni Water Care Company (ERWAT)**

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details																					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAP EX Description	Project	OP EX Vote Number	OPEX Description	Line-Item																		
				Plan	Plan	Plan	Plan	Planned Budget	Planned Budget	Planned Budget	Planned Budget																											
	Capacity												ed. Sewer treatment capacity refer to the maximum amount of sewage	ved and treated per WC W and totalised for ERWAT system(19 WC W)	7353644942 0TCXBHZZE R	H X B	P-CIN SAN W/W TREAT WRKS	H X B	7354644942 0TCXBHZZE R	H X B	P-CIN SAN W/W TREAT WRKS	H X B	7361644942 0TCXBHZZE R	H X B	P-CIN SAN W/W TREAT WRKS	H X B	7362644942 0TCXBHZZE R	H X B	P-CIN SAN W/W TREAT WRKS	H X B	7363644942 0TCXBHZZE R	H X B	P-CIN SAN W/W TREAT WRKS	H X B	7364644942 0TCXBHZZE R	H X B	P-CIN SAN W/W TREAT WRKS	H X B

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Resources Allocated for 2025/2026 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details			
					Target for 2025/2026 SDBIP per Quarter							CAPEX Number	Vote	CAPEX Description	Project Description	OP EX Vo	GPE Proj Des	OPEX Description	Line-Item
					Q1	Q2	Q3	Q4	Total										
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Total Budget	that a facility is allowed to treat or to direct to a particular reuse or effluent disposal	drawn from LIMS (Laboratory Information Management System),	7365644942	X	P-CIN SAN W/W TREAT WRKS					
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Total Budget			7366644942	B	P-CIN SAN W/W TREAT WRKS					
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Total Budget			7367644942	H	P-CIN SAN W/W TREAT WRKS					
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Total Budget			7368644942	X	P-CIN SAN W/W TREAT WRKS					
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Total Budget			7369644942	B	P-CIN SAN W/W TREAT WRKS					

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Performance Indicator (Outcome)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details																				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAP EX Project Description	CAPEX Description	Project	OP EX Vote Number	OPEX Description	Line-Item																	
					Q1 Plan needed Target	Q2 Plan needed Target	Q3 Plan needed Target	Q4 Plan needed Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total	sal system. This refers to the collective available design capacity of all	conjunction with the original or re-graded design hydraulic capacity (avail	BHXBR	7370644942	P-CIN SAN W/W TREAT WRKS	P-CIN SAN W/W TREAT WRKS	BHXBR	7371645602	P-CNIN MACHINERY & EQUIP	P-CIN SAN W/W TREAT WRKS	BHXBR	7372644942	P-CIN SAN W/W TREAT WRKS	P-CIN SAN W/W TREAT WRKS	BHXBR	7381644942	P-CIN SAN W/W TREAT WRKS	P-CIN SAN W/W TREAT WRKS	BHXBR	7382644942	P-CIN SAN W/W TREAT WRKS	P-CIN SAN W/W TREAT WRKS	BHXBR	7383644942	P-CIN SAN W/W TREAT WRKS	P-CIN SAN W/W TREAT WRKS

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAP EX Project ID	CAPEX Description	Project	OP EX Vote Number	OPEX Description	Line-Item
				Plan	Plan	Plan	Plan	Planned Budget	Planned Budget	Planned Budget	Planned Budget										
				Q1: Plan need Target	Q2: Plan need Target	Q3: Plan need Target	Q4: Plan need Target	Q1: Planned Budget	Q2: Planned Budget	Q3: Planned Budget	Q4: Planned Budget	Total allocated budget	facilities servicing the municipal area. 'Available design total capacity' refer to	able capacity per WC W for the ERW AT system (total of 19 WC W).	7384644942	0TCXBHZZE	R	P-CIN SAN W/W TREAT WRKS			



**2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS**

**Infrastructure Services Cluster**

**Ekurhuleni Water Care Company (ERWAT)**

Outcome	Performance Indicator (Output)	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details									
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget			CAPEX Number	Vote	CAPEX Description	Project	OP EX Number	OPEX Description	Line-Item						
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget														
														the overall design capacity that is available on a daily basis. If part													

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

Infrastructure Services Cluster

Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter					Resources Allocated for 2025/2026 SDBIP per Quarter	Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details											
				Q1	Q2	Q3	Q4	Total				CAPEX Number	Vote	CAPEX Description	Project Description	OP EX Vote Number	Project Description	Line-item								
									Planned Budget Allocation Table SA 25, 29 and 30																	
									Planned Budget Allocation Table SA 25, 29 and 30																	
									Planned Budget Allocation Table SA 25, 29 and 30																	
									Planned Budget Allocation Table SA 25, 29 and 30																	
									Planned Budget Allocation Table SA 25, 29 and 30																	

of the treatment facility requires refurbishment or is not in operation this should

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX	OPEX Description	Line-Item	
					Q1 Plan need Target	Q2 Plan need Target	Q3 Plan need Target	Q4 Plan need Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget			CAPEX Number	Vote	CAPEX Description	Project	OP EX	OPEX Description	Line-Item
														ded								
														be								
														exclu								
														ded								
														from								
														'avail								
														able								
														desig								
														n								
														capa								
														city'.								
														Form								
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														-								
														(1)								
														Total								
														volu								

**2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS**

**Infrastructure Services Cluster**

**Ekurhuleni Water Care Company (ERWAT)**

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter					Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition		Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details							
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget	CAPEX Number	Vote		CAPEX Description	Project	Project ID	OP EX	OPEX Description	Line-Item						
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget	me of wastewater treated over the last year / ((2) Daily wastewater treatment														

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (Output)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details												
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX	OPEX Description	Line-Item										
					Plan	Plan	Plan	Plan	Planned Budget	Planned Budget	Planned Budget	Planned Budget																			
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	plant available design capacity x 365)																		

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	C AP EX Project ID	CAPEX Description	Project Description	OP EX Vote Number	OPEX Description	Line-Item	
				Plan Target	Plan Target	Plan Target	Plan Target	Planned Budget	Planned Budget	Planned Budget	Planned Budget											
Improved Quality of water (including waste water)	ERW 1.1 Total revenue generated from external business	R39 837 478,83	R37 752 000	R7,9 00,0 00	R9,2 50,0 00	R9,2 50,0 00	R11, 352, 000	Op ex	Op ex	Op ex	Op ex	Opex	The indicator measures the R-value of revenue generated from external	Invoices coupled with general ledger with a balance that agree to the amount	73121380900FAZZZZER		ZZ Z	DEFAULT TRANSACTIONS				
															73251144470FAZZZZER		ZZ Z	DEFAULT TRANSACTIONS				
															73481423300FAZZZZER		ZZ Z	DEFAULT TRANSACTIONS				
															73481323010FAZZZZER		ZZ Z	DEFAULT TRANSACTIONS				
															73431423300FAZZZZER		ZZ Z	DEFAULT TRANSACTIONS				

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (025/04/2024) (Quarter 3)	Annual Target (2025/26) (5/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details										
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget			CAPEX Number	Vote	CAPEX Description	Project	OP EX Number	OPEX Description	Line-Item							
					Q1 Plan Target	Q2 Plan Target	Q3 Plan Target	Q4 Plan Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget	business. Formula: 1) R-Value of revenue generated from external business	reported													

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details								
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Project Description	CAPEX Project ID	OP EX	OP EX	OP EX	OP EX	OPEX Description	Line-Item			
					Plan	Plan	Plan	Plan	Planned Budget	Planned Budget	Planned Budget	Planned Budget							Vote	Project Description	Project ID	Vote	Project Description	Project ID			
Improved Quality of water (including waste water)	ERW 1.3 Percentage compliance with wastewater treatment works licenses		81%	75%	75%	75%	75%	75%	OP EX	OP EX	OP EX	OP EX	Total allocated budget	The indicator measures the compliance of wastewater works effluent to the requirement of biological	Dated and signed report indicating actual flow received and treated per WCW and totals	Vote	Project Description	Project ID	Vote	Project Description	Project ID	Operational: MAINTENANCE	Line-Item				
					75%	75%	75%	75%	OP EX	OP EX	OP EX	OP EX															
					75%	75%	75%	75%	OP EX	OP EX	OP EX	OP EX															
					75%	75%	75%	75%	OP EX	OP EX	OP EX	OP EX															



# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Performance Indicator (Output)	Baseline	Annual Target	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX	OPEX Description	Line-Item	
					Plan	Plan	Plan	Plan	Planned	Planned	Planned	Planned	Total allocated budget									
					2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26	2025/26									

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter					Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details																									
					Q1 Plan need Target	Q2 Plan need Target	Q3 Plan need Target	Q4 Plan need Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget			CAPEX Number	Vote	Project ID	CAPEX Description	Project Description	OPEX Description	Line-Item																							

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX Vo	OPE X Proj	OPEX Description	Line Item	
				Plan need Target	Plan need Target	Plan need Target	Plan need Target	Planned Budget	Planned Budget	Planned Budget	Planned Budget	Total allocated budget			CAPEX Number	Vote	CAPEX Description	Project	OP EX Vo	OPE X Proj	OPEX Description	Line Item
				Plan need Target	Plan need Target	Plan need Target	Plan need Target	Planned Budget	Planned Budget	Planned Budget	Planned Budget	Total allocated budget	minant s compl ying with Water Use Author ization / (2) Numb er of deter minant s X100	(avail able capaci ty) per WCW for the ERW AT syste m ( total of 19 WCW								

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details		
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAP EX Project ID	CAPEX Description	Project	OP EX Vote Number
FM7.3 Improved revenue and debtors management	FM7.3 Percentage of net operating surplus margin	Net KPI	5%	N/A	N/A	N/A	5%	OP EX	OP EX	OP EX	OP EX	OP EX	OP EX	Statement of financial performance done at the end of the financial year. In the absence of the audited figures, un-audited annual financial	Various votes: 14 votes			OPERATIONAL MAINTENANCE:INFRASTRUCTURE CORRECTIVE MAINTENANCE:EMERGENCY:SANITATION INFRASTRUCTURE:WASTE WATER TREATMENT:EARTHWORKS	

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX Vote Number	OPEX Description	Line-Item
				Planned Target	Planned Target	Planned Target	Planned Target	Planned Target	Planned Target	Planned Target	Planned Target	Total allocated budget								
													Future, in this context, refers to direct costs, overhead and costs and capital financing costs incurred in providing wastewater and sanitation							

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (Quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details												
					Q1		Q2		Q3		Q4				Q1		Q2		Q3		Q4		CAPEX Number	Vote	CAPEX Description	Project ID	CAPEX Description	Project	OP EX Vote Number	OPEX Description	Line-Item
					Plan	Target	Plan	Target	Plan	Target	Plan	Target			Planned Budget	Planned Budget	Planned Budget	Planned Budget	Total allocated budget												
					Q1 Plan	Q1 Target	Q2 Plan	Q2 Target	Q3 Plan	Q3 Target	Q4 Plan	Q4 Target	Total allocated budget	on services. Direct costs include employee related costs, bulk purchases, repairs and maintenance, contracted service																	

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project	OP EX Vo ta Mu mb er	OPE X Proj ect Des cript ion	OPEX Description	Line Item
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total allocated budget									
				Planned Target	Planned Target	Planned Target	Planned Target	Planned Budget	Planned Budget	Planned Budget	Planned Budget										
								25.29 and 30	25.29 and 30	25.29 and 30	25.29 and 30										

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details				
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	C AP EX Proj ect ID	CAPEX Description	Project Description	OP EX Proj ect Des cription	OPEX Description	Line-Item
				Plan ned Target	Plan ned Target	Plan ned Target	Plan ned Target	Planned Budget	Planned Budget	Planned Budget	Planned Budget										
				Q1 Plan ned Target	Q2 Plan ned Target	Q3 Plan ned Target	Q4 Plan ned Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget	referred to as indirect costs, are costs that are not directly attributable to a service but are incurred in running a municipality as a								



2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

Infrastructure Services Cluster

Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/25 (Output)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter					Resources Allocated for 2025/2026 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line-Items Details				
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total Allocation Budget				CAPEX Number	Vote	CAPEX Description	Project	OP EX Vole Number	OPEX Description	Line-Item		
					Plan	Plan	Plan	Plan	Planned	Planned	Planned	Planned	Planned	Planned										Planned	Planned
					Q1 Plan	Q2 Plan	Q3 Plan	Q4 Plan	Q1 Planned	Q2 Planned	Q3 Planned	Q4 Planned	Total												
					Target	Target	Target	Target	Target	Target	Target	Target	Target												

whole, for example office space or computer software and all charges or recoveries. Capital financing costs are associated

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Baseline 2024/25 (Quarterly)	Annual Target 2025/26	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details																					
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project ID	OPEX Number	Project Description	Line-Item																			
				Plan	Plan	Plan	Plan	Planned Budget	Planned Budget	Planned Budget	Planned Budget																												
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Total allocated budget																											
				Target	Target	Target	Target	Target	Target	Target	Target	Target																											

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			Vote	CAPEX Description	Project	OP EX Vo te Nu mber	OPE X Proj ect Des cript ion	OPEX Description	Line Item
				Plan ned Targ et	Plan ned Targ et	Plan ned Targ et	Plan ned Targ et	Planned Budget	Planned Budget	Planned Budget	Planned Budget	Total allocated budget								
				25, 29 and 30	25, 29 and 30	25, 29 and 30	25, 29 and 30	Table SA 25, 29 and 30	Table SA 25, 29 and 30	Table SA 25, 29 and 30	Table SA 25, 29 and 30	Table SA 25, 29 and 30	Indicator Formula: ((1) Total Sanitation and Waste Water Revenue - (2) Total Sanitation and Waste Water Expenditure) / (1) Total Sanitation							

# 2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Output)	Baseline 2024/25 (Quarterly)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details			
				Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	Vote	CAPEX Description	Project ID	CAPEX Description	Project	OP EX	OPEX Description
				Q1 Plan needed Target	Q2 Plan needed Target	Q3 Plan needed Target	Q4 Plan needed Target	Q1 Planned Budget	Q2 Planned Budget	Q3 Planned Budget	Q4 Planned Budget	Total allocated budget	on and Waste Water Revenue								

**SECTION 4: DEPARTMENTAL SDBIP 2025 / 2026**

**4.1 DEPARTMENTAL SDBIP FOR 2025/20256**

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 2025/2026; 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	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details		
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Number	OPEX Project Description	OPEX Line-Item Description
					Planned Target	Planned Target	Planned Target	Planned Target	Planned Budget as Table SA 25, 29 and 30	Planned Budget as Table SA 25, 29 and 30	Planned Budget as Table SA 25, 29 and 30	Planned Budget as Table SA 25, 29 and 30			Table allocated budget	The Auditor	Dated and			
To build a	ERW1.2	(Output)		Unqualified Audit	N/A	N/A	Unqualified	N/A	OPE X	OPE X	OPE X	OPE X	OPEX							

Infrastructure Services Cluster

Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter					Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details																					
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table 25. 29 and 30	Q2 Planned Budget as Table 25. 29 and 30	Q3 Planned Budget as Table 25. 29 and 30	Q4 Planned Budget as Table 25. 29 and 30	Total allocated budget			CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description																				
clean, Capable and Modernised Local State		Audit Opinion	Opinion	Opinion																																					









## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details				
				Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table SA 25, 29 and 30	Q2 Plan Budget as Table SA 25, 29 and 30	Q3 Plan Budget as Table SA 25, 29 and 30	Q4 Plan Budget as Table SA 25, 29 and 30			CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Number	OPEX Project Description	OPEX Description	OPEX Line-Item		
Improved Quality of Water Including Wasitwa	FMI.11 Total Capital expenditure as a percentage of total capital budget	99.56 %	95%	15%	35%	70%	95%	R73 748 903	CAP EX	CAP EX	CAP EX	CAP EX	R294 995 612	This indicator measures the extent to which budgeted capital expenditure has been spent	Dated and signed Finance year to date expenditure	73126460020T CXBAZZER	XBH	P-CNIN FURN & OFF EQUIP	-	-	-	-







# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details												
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table 25, 29 and 30	Q2 Planned Budget as Table 25, 29 and 30	Q3 Planned Budget as Table 25, 29 and 30	Q4 Planned Budget as Table 25, 29 and 30			CAPEX Number	Vote	Project ID	Project Description	CAPEX Project Description	OPEX Number	Project Description	OPEX Description	Line Item								
Water including Wasitwa		procurement spend allocated to SMMES								CAPEX EX	ICA	PEX	ICA	PEX	ICA	PEX	ICA	PEX	es the percentage of procurement spend allocated to SMMES through ensuring appropriate application	ed Letter of appointment or subcontract with support (co											

















# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details		
				Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table SA 25, 29 and 30	Q2 Plan Budget as Table SA 25, 29 and 30	Q3 Plan Budget as Table SA 25, 29 and 30	Q4 Plan Budget as Table SA 25, 29 and 30			CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Number	OPEX Project Description	OPEX Line-Item Description
Improved quality of water including wastewater	ERW1.5 Green Drop score	6	6	N/A	N/A	N/A	6	OPE X	OPE X	OPE X	OPE X	The latest available Green Drop assessment results. A Green Drop	The Green Drop results published by the Natl	-	-	-	Various votes	OPERATIONAL:MAINTENANCE	









# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details			
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Voter Number	OPEX Project Description	OPEX Line-Item Description	
					Planned Target	Planned Target	Planned Target	Planned Target	Planned Budget as Table SA 25, 29 and 30	Planned Budget as Table SA 25, 29 and 30	Planned Budget as Table SA 25, 29 and 30	Planned Budget as Table SA 25, 29 and 30									
LED 1.1. Growing inclusive local economies	LED1.1.1 Percentage of total municipal operating expenditure		8%	8%	2%	4%	6%	8%	OPE X	OPE X	OPE X	OPE X	OPEX	This indicator measures the value of municipal operating expenditure that has	Significant expenditure report on municipal						





## Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details								
					Q1		Q2		Q3		Q4				Q1		Q2		Q3		Q4		Total			
					Planned	Target	Planned	Target	Planned	Target	Planned	Target			Budget as a % of SA 25/29 and 30	Budget as a % of SA 25/29 and 30	Budget as a % of SA 25/29 and 30	Budget as a % of SA 25/29 and 30	Planned Budget as a % of SA 25/29 and 30	Planned Budget as a % of SA 25/29 and 30	Planned Budget as a % of SA 25/29 and 30	Planned Budget as a % of SA 25/29 and 30	CAPEX Number	Vote	Project ID	
Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Planned	Target	Project Description	OPEX Description	Line-Item		

Infrastructure Services Cluster																														
Ekurhuleni Water Care Company (ERWAT)																														
Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details											
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table SA 25, 29 and 30	Q2 Plan Budget as Table SA 25, 29 and 30	Q3 Plan Budget as Table SA 25, 29 and 30	Q4 Plan Budget as Table SA 25, 29 and 30			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OP EX Project Description	OPEX Description	Line-Item								
																														(1) R-value of operating expenditure on contracted services within the municipal area / (2) Total municipal operating expenditure

# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details		
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table SA 25/29 and 30	Q2 Plan Budget as Table SA 25/29 and 30	Q3 Plan Budget as Table SA 25/29 and 30	Q4 Plan Budget as Table SA 25/29 and 30			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description
FM1 Enhancement of municipal	FM1.1 Percentage of expenditure	FM1.12 Total Operating Expenditure	New KPI	95%	20%	40%	70%	95%	OPE X	OPE X	OPE X	OPE X	OPEX	The indicator measures the extent	Significant expenditure	-	-	Various votes: 1414 votes	OPERATIONAL:MAINTENANCE:INFRASTRUCTURE:CORRECTIVE MAINTENANCE:EMERGENCY:SANITATION	







Infrastructure Services Cluster

Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details															
					Q1		Q2		Q3		Q4				Q1		Q2		Q3		Q4		CAPEX Vote Number		CAPEX Project ID		CAPEX Project Description		OPEX Vote Number		OPEX Project Description		OPEX Line-Item Description	
					Planned	Target	Planned	Target	Planned	Target	Planned	Target			Planned	Budget as at 30/09/2025	Budget as at 30/12/2025	Budget as at 30/03/2026	Budget as at 30/06/2026	Total allocated budget	or	Formula: (1)	Actual	Operating	Expenditure / (2)	Budgeted	Operating	Expenditure						

# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details				
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25, 28 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 allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description	
Financial Management	FM4.11	FM4.11 Irregular, Fruitless and Wasteful, Unauthorised Expendit		0%	N/A	N/A	0%	N/A	N/A	OPE X	OPE X	OPE X	OPE X	OPEX	This indicator results will be reported quarterly.	The Audited Annual Financial Statement	N/A	N/A	N/A	N/A	N/A	N/A

**Infrastructure Services Cluster**

**Ekurhuleni Water Care Company (ERWAT)**

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details		
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table 25.29 and 30	Q2 Plan Budget as Table 25.29 and 30	Q3 Plan Budget as Table 25.29 and 30	Q4 Plan Budget as Table 25.29 and 30			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
		ure as a percentage of Total Operating Expenditure												ality has incurred irregular, fruitless and wasteful and unauthorised expenditure. Fruitless and wasteful expenditure is expenditure that	nts for the previous financial year as finalised in January of the following financial						







**Infrastructure Services Cluster**

**Ekurhuleni Water Care Company (ERWAT)**

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details															
					Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description												
					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 allocated budget	Operating Expenditure																			



### Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter					Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details								
				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 allocated budget			CAPEX Number	CAPEX Vote	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description						
													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														

# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details				
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table SA 25, 29 and 30	Q2 Plan Budget as Table SA 25, 29 and 30	Q3 Plan Budget as Table SA 25, 29 and 30	Q4 Plan Budget as Table SA 25, 29 and 30			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Number	OPEX Project Description	OPEX Description	Line-Item	
FM5 Improved asset management	FM5.3 Percentage of repairs and maintenance and management of existing infrastructure	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment	4%	8%	N/A	N/A	N/A	8%	OPEX X	OPEX X	OPEX X	OPEX X	OPEX	This indicator measures the extent at which the municipality spent on repairs and maintenance of infrastructure assets relative	Statement of financial performance and ancillary expenditure	Various votes include Employee costs, Repairs and maintenance							OPERATIONAL:MAINTENANCE:INFRASTRUCTURE:CORRECTIVE MAINTENANCE:



# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details																		
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table 25, 29 and 30	Q2 Planned Budget as Table 25, 29 and 30	Q3 Planned Budget as Table 25, 29 and 30	Q4 Planned Budget as Table 25, 29 and 30			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description															
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table 25, 29 and 30	Q2 Planned Budget as Table 25, 29 and 30	Q3 Planned Budget as Table 25, 29 and 30	Q4 Planned Budget as Table 25, 29 and 30	Total allocated budget																							
																																				unaudited annual financial statements should be used

# Infrastructure Services Cluster

## Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details			OPEX Projects/Line Items Details			
					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 allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item
FM6 Improved supply chain management	FM6.13	Percent of tender cancellations	New KPI	10%	10%	10%	10%	10%	OPE X	OPE X	OPE X	OPE X	OPEX	This indicator measures the percentage of tender cancellations in relation to the total number	Signed and dated SCM report containing tender cancellations in relation to the total number	N/A	N/A	N/A	N/A	N/A	N/A

### Infrastructure Services Cluster

### Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter				Resources Allocated for 2025/2026 SDBIP per Quarter				Indicator Definition	Portfolio of Evidence	CAPEX Projects Details				OPEX Projects/Line Items Details									
					Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Plan Budget as Table SA 25, 29 and 30	Q2 Plan Budget as Table SA 25, 29 and 30	Q3 Plan Budget as Table SA 25, 29 and 30	Q4 Plan Budget as Table SA 25, 29 and 30			Total allocated budget	CAPEX Number	CAPEX Project ID	CAPEX Project Description	OPEX Number	OPEX Project Description	OPEX Line-Item Description							
													of tender businesses cases that was recorded, advertised and closed. Indicate or Formula: (1)	ratio in relation to the total number of tender businesses cases that was recorded, advertised and closed. Indicate or Formula: (1)														

Infrastructure Services Cluster

Ekurhuleni Water Care Company (ERWAT)

Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Baseline 2024/2025 (Quarter 3)	Annual Target (2025/2026)	Target for 2025/2026 SDBIP per Quarter	Resources Allocated for 2025/2026 SDBIP per Quarter	Indicator Definition	Portfolio of Evidence	CAPEX Projects Details	OPEX Projects/Line Items Details									
			Q1 Planned Target	Q2 Planned Target	Q3 Planned Target	Q4 Planned Target	Q1 Planned Budget as Table SA 25 28 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 allocated budget	CAPEX Number	CAPEX Vote	CAPEX Project ID	CAPEX Project Description	OPEX Number	OPEX Project Description	OPEX Line-Item Description	

Number of tenders cancelled / (2) Total number of tenders advertised and closed. The indicator is reported

cases that was recorded, advertised and closed.





## 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 "dispose 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 "dispose 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 "dispose 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 of 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 of 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	Department	Compliance indicators	Indicator Rationale	Indicator Definition
10 C77 (LED)	ERWAT	B-BBEE Procurement Spend on Empowering Suppliers that are at least 51% black owned based	<p>municipality are delayed as a result of disputes based on the outcome of these processes</p> <p>This indicator monitors the municipality's R-value procurement spend on suppliers that are at least 51% black owned based</p>	<p>of their bid. This process usually takes place before the letter of award is issued to the successful bidder.</p> <p>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.</p>
11 C78 (LED)	ERWAT	B-BBEE Procurement Spend on Empowering Suppliers that are at least 30% black women owned	<p>This indicator monitors the municipality's R-value procurement spend on suppliers that are at least 30% black women owned</p>	<p>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.</p>
18 C79 (LED)	ERWAT	B-BBEE Procurement Spend from all Empowering Suppliers based on the B-BBEE Procurement	<p>This indicator monitors the municipality's R-value procurement spend on all suppliers based on the B-BBEE Procurement</p>	<p>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.</p>

## SECTION 5

### 5.1 MAINTENANCE APPROACH

ERWAT is planning to upgrade the CMMS (Computer Maintenance Management System) to the latest system in 2025/2026 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	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
<b>PUMPS - Supply, Deliver &amp; Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months.</b>						
73536449420TCXBHZZER	ERWAT	Olifantsfontein Plant - Supply, Deliver & Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months	Tembisa 2	1	USDG	R 11,896,157.40
73546449420TCXBHZZER	ERWAT	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	R 6,841,188.94
73696449420TCXBHZZER	ERWAT	Rynfield Plant - Supply, Deliver & Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months	Benoni	27	USDG	R 1,697,817.46
73626449420TCXBHZZER	ERWAT	Benoni Plant - Supply, Deliver & Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months	Benoni	29	USDG	R 1,157,073.07
73636449420TCXBHZZER	ERWAT	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	R 946,911.78

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73646449420TCXBHZZER	ERWAT	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	R 800,000.00
73656449420TCXBHZZER	ERWAT	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	R 1,400,030.00
73616449420TCXBHZZER	ERWAT	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	R 2,334,756.60
73686449420TCXBHZZER	ERWAT	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	R 1,524,765.47
73676449420TCXBHZZER	ERWAT	J.P Marais Plant - Supply, Deliver & Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months	Benoni	29	USDG	R 492,668.74

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73666449420TCXBHZZER	ERWAT	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	R 5,874,651.50
73726449420TCXBHZZER	ERWAT	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	R 8,280,760.89
73826449420TCXBHZZER	ERWAT	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	R 3,727,749.79
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	R 10,188,372.74
73836449420TCXBHZZER	ERWAT	Viakplaats 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	R 2,685,801.15



VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73816449420TCXBHZZER	ERWAT	Dekema Plant - Supply, Deliver & Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months	Germiston	39	USDG	R 15,139,545.22
73716456020TCXBCZZER	ERWAT	Tsakane Plant - Supply, Deliver & Install All Pumps on As When Required Basis in All Erwat Wastewater Care Works for A Period Of 36 Months	Tsakane	112	USDG	R 223,391.93
<b>GENERATORS - 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.</b>						
73536449420TCXBHZZER	ERWAT	Olifantsfontein Plant - Supply (2), 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			USDG	R 11,937,469.00
<b>FERRIC AND CHLORINE DOSING SYSTEMS - The Supply, Deliver and Install of Ferric Chloride and Chlorine Dosing Systems &amp; Associated Equipment at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months.</b>						
73536449420TCXBHZZER	ERWAT	The Supply, Deliver and Install Ferric Chloride and Chlorine Dosing Systems & Associated Equipment at ERWAT 'As and When Required for Thirty-Six (36) months			USDG	R 20,000.00

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
<b>GEARBOXES - The Supply, Deliver and Install Gearboxes at Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months.</b>						
73816449420TCXBHZZER	ERWAT	The Appointment of a Service Provider to supply, deliver and install Gearboxes for ERWAT 'as and when required' for 36 months			USDG	R 20,000.00
<b>ELECTRIC MOTORS - The Supply, Deliver and Install Electric Motors at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months.</b>						
73816449420TCXBHZZER	ERWAT	Appointment of Service Provider/s to Supply, Deliver and Install Electric Motors at ERWAT Wastewater Care Works on As and When Required for Thirty-Six (36) months"			USDG	R 20,000.00
<b>ANALYTICAL INSTRUMENTATION AND ASSOCIATED EQUIPMENT - The Supply, Deliver and Install of all Analytical Instrumentation &amp; Associated Equipment at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months.</b>						
73816449420TCXBHZZER	ERWAT	Appointment of Service Provider/s to Supply, Delivery & Install all Analytical Instrumentation & Associated Equipment on 'as and when required' for 36 months			USDG	R 20,000.00
<b>HIGH MAST LIGHTS AND STREETLIGHTS - Supply, Delivery &amp; Installation of High Mast Lights &amp; Streetlights at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months.</b>						
						R 20,000.00

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73816449420TCXBHZZER	ERWAT	Appointment of Service Provider/s to Supply, Delivery & Installation of High Mast Lights & Streetlights at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months			USDG	R 20,000.00
<b>VALVES - Supply, Delivery &amp; Installation of Valves at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months.</b>						
73816449420TCXBHZZER	ERWAT	Appointment of service Provider's to Supply, Delivery & Installation of Valves at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months			USDG	R 20,000.00
<b>Appointment of service Provider's to Supply, Delivery &amp; Installation of Motors Control Centre (MCC) at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months</b>						
73816449420TCXBHZZER	ERWAT	Appointment of service Provider's to Supply, Delivery & Installation of Motors Control Centre (MCC) at all Erwat Wastewater Care Works On 'As and When Required for Thirty-Six (36) months			USDG	R 20,000.00
<b>Panel of Contractors - Construction, Upgrading, Refurbishment, Extension and Decommissioning of New and Existing ERWAT Infrastructure on and As When Required Basis for A Fixed Term Period.</b>						
						R 20,000.00

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73816449420TCXBHZZER	ERWAT	Re-Tender for the Appointment of a Panel of Contractors for The Construction, Upgrading, Refurbishment, Extension and Decommissioning of New and Existing ERWAT Infrastructure on and As When Required Basis for A Fixed Term Period			USDG	R 20,000.00
<b>GUARDHOUSES</b>						
73706449420TCXBHZZER	ERWAT	loss Control - Ratanda Guard house	Ratanda	2	USDG	R 250,000.00
73646449420TCXBHZZER	ERWAT	loss Control - Heidelberg Guard house	Heidelberg	1	USDG	R 250,000.00
73636449420TCXBHZZER	ERWAT	loss Control - Carl Grundlingh Guard house	Nigel	88	USDG	R 250,000.00
73616449420TCXBHZZER	ERWAT	loss Control - Ancor Guard house	Springs	76	USDG	R 350,000.00
73666449420TCXBHZZER	ERWAT	loss Control - Jan Smuts Guard house	Kempton Park	89	USDG	R 250,000.00
73546449420TCXBHZZER	ERWAT	loss Control - Hartbeesfontein Guard house	Kempton Park	89	USDG	R 250,000.00
73846449420TCXBHZZER	ERWAT	loss Control - Waterval Guard house	Alberton	12	USDG	R 350,000.00
73836449420TCXBHZZER	ERWAT	loss Control - Vlakplaats Guard house	Vosloorus	44	USDG	R 350,000.00
73686449420TCXBHZZER	ERWAT	loss Control - Daveyton Guard house at the sludge lagoons	Benoni	28	USDG	R 250,000.00

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73526449420TCXBHZZER	ERWAT	loss Control - Esther Park Guard house	Kempton Park	104	USDG	R 250,000.00
<b>OPERATION DEPARTMENT</b>						
73156460020TCXBAZZER	ERWAT	Intruder Alarms and Biometric Clocking System	Kempton Park	89	USDG	R 1,250,000.00
73156460020TCXBAZZER	ERWAT	Welgedacht WCW - CCTV Camera System	Springs	75	USDG	R 500,000.00
<b>ICT DEPARTMENT</b>						
73146460020TCXBAZZER	ERWAT	ICT - Serve Projects	Kempton Park	89	REVENUE	R 840,000.00
73146460020TCXBAZZER	ERWAT	ICT - Serve Projects (Consultancy & Deployment Services)	Kempton Park	89	REVENUE	R 451,145.60
73146460020TCXBAZZER	ERWAT	ICT - Serve Projects (OEM &HCI Training)	Kempton Park	89	REVENUE	R 175,807.00
73146460020TCXBAZZER	ERWAT	ICT - Serve Projects (Contingencies)	Kempton Park	89	REVENUE	R 72,327.00
73146460020TCXBAZZER	ERWAT	Laptop Procurement	Kempton Park	89	REVENUE	R 750,000.00
73146460020TCXBAZZER	ERWAT	Networking (Switches and WIFI Access Points)	Kempton Park	89	REVENUE	R 750,000.00
73146460020TCXBAZZER	C	Server and Switch Cabinets UPS	Kempton Park	89	REVENUE	R 750,000.00
<b>SCIENTIFIC SERVICE DEPARTMENT</b>						
73436456020TCXBCZZER	ERWAT	Various Scientific Service FQP's	Kempton Park	89	REVENUE	R 460,258.06
						<b>R 1,702,780.10</b>

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73436456020TCXBCZZER	ERWAT	Supply, Delivery, installation, Commissioning, raining of Thermographic Analyser and Method validation as per 026 Including three (3) Year Maintenance Plan	Kempton Park	89	REVENUE	R 20,000.00
73436456020TCXBCZZER	ERWAT	Microwave Digester and 2 x 44pcs vessels	Kempton Park	89	REVENUE	R 390,646.00
73436456020TCXBCZZER	ERWAT	Purge and Trap for GC-MS	Kempton Park	89	REVENUE	R 20,000.00
73436456020TCXBCZZER	ERWAT	Nutrient Analyser x 2 replace FIA 4,6	Kempton Park	89	REVENUE	R 20,000.00
73436456020TCXBCZZER	ERWAT	Lab Fridges (Voltage regulators) x 2	Kempton Park	89	REVENUE	R 693,208.04
73436456020TCXBCZZER	ERWAT	Hydroboil (2) for kitchens	Kempton Park	89	REVENUE	R 70,000.00
73436456020TCXBCZZER	ERWAT	Micro Pipettes	Kempton Park	89	REVENUE	R 28,668.00
<b>HEAD OFFICE FACILITIES EQUIPMENETS</b>						
73126460020TCXBAZZER	ERWAT	Supply and Delivery 2X Storage Container	Kempton Park	89	REVENUE	R 173,000.00
73126460020TCXBAZZER	ERWAT	Supply and Delivery of Air Conditioner	Kempton Park	89	REVENUE	R 750,000.00
73126460020TCXBAZZER	ERWAT	Carports	Kempton Park	89	REVENUE	R 188,000.00
73126460020TCXBAZZER	ERWAT	Coffee Commercial Express Machine	Kempton Park	89	REVENUE	R 250,000.00
<b>DISTRICT DRAINAGE 3 (DD3) - UPGRADES</b>						
						<b>R 1,361,000.00</b>
						<b>R 1,858,081.00</b>

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
<b>Benoni WCW Upgrades</b>						
73626449420TCXBHZZER	ERWAT	Handrails	Benoni	29	USDG	R 393,000.00
73626449420TCXBHZZER	ERWAT	Chlorine Emergency Kit 925 kg	Benoni	29	USDG	R 283,000.00
73626449420TCXBHZZER	ERWAT	Chlorometer	Benoni	29	USDG	R 80,000.00
73626449420TCXBHZZER	ERWAT	Office furniture	Benoni	29	USDG	R 30,000.00
		<b>Hartebeesfontein WCW Upgrades</b>				<b>R 1,465,081.00</b>
73546449420TCXBHZZER	ERWAT	Office Furniture	Kempton Park	89	USDG	R 132,275.00
73546449420TCXBHZZER	ERWAT	Training Facilities Supplies, Equipment and Furniture's	Kempton Park	89	USDG	R 436,556.00
73546449420TCXBHZZER	ERWAT	Supply, Delivery of Fire Extinguishers*	Kempton Park	89	USDG	R 750,000.00
73546449420TCXBHZZER	ERWAT	Supply and Delivery Multi Meters (Commercial)*	Kempton Park	90	USDG	R 146,250.00
<b>DISTRICT DRAINAGE 4 (DD4) - UPGRADES</b>						
<b>DISTRICT DRAINAGE 5 (DD5) - UPGRADES</b>						
73636449420TCXBHZZER	ERWAT	<b>Carl Grundlingh WCW Upgrades</b>	Nigel	88	USDG	R 2,300,000.00
73636449420TCXBHZZER	ERWAT	Carpports x6	Nigel	88	USDG	R 1,100,000.00
73636449420TCXBHZZER	ERWAT	2x Mobile Container (Offices)	Nigel	88	USDG	R 100,000.00
73636449420TCXBHZZER	ERWAT	Electric Chlorine chain Hoist	Nigel	88	USDG	R 750,000.00
<b>Tsakane WCW Upgrades</b>						
73716456020TCXBCZZER	ERWAT	Construction of a slab around newly installed mechanical fine screen (compactor area) + driveway	Tsakane	112	USDG	R 250,000.00
<b>Ratanda WCW Upgrades</b>						
						<b>R 450,000.00</b>
						<b>R 450,000.00</b>
						<b>R 750,000.00</b>

VOTE NUMBER	DEPARTMENT	PROJECT NAME	CCA	WARD	SOURCE OF FUNDING	PROPOSED BUDGET ADJUSTMENT 2024/2025 (EXCL VAT)
73706449420TCXBHZZER	ERWAT	2x Mobile Container (Male Ablution Facility)	Ratanda	2	USDG	R 750,000.00
<b>DISTRICT DRAINAGE 6 (DD6) - UPGRADES</b>						
<b>Waterval WCW Upgrades</b>						
73846449420TCXBHZZER	ERWAT	Supply, Installation and Commissioning of PST Waste Sludge Feed Pumps (Replacement of Positive Displacement Pumps)	Alberton	12	USDG	R 48,932.81
<b>Retentions</b>						
73846449420TCXBHZZER	ERWAT	ERW202005/TNDR-002: Supply, Delivery, Installation and commissioning of Various Online and portable Meters			USDG	R 272,420.00
73846449420TCXBHZZER	ERWAT	ERW202006/TNDR-005: Supply, Delivery, Installation and commissioning of PST Waste Sludge Feed Pumps (Replacement of Positive Displacement at Welgedacht and Waterval WCW)			USDG	R 48,932.81
						R 103,260,538.00



Alignment to Strategic Priorities		Project Information			5 Year/Annual targets and baseline			Quarterly Targets 2024/2025				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 2024/2025		
Environmental Well-being	<b>KPI:2 Departmental</b>		Head Office	Head Office	Head Office	95%	95%	97%	15%	35%	70%	95%	95%	R2 562 709,25	
Environmental Well-being			Building	Building	Building	95%	95%	97%	15%	35%	70%	95%	95%	R3 885 000,00	
Environmental Well-being			ICT	ICT	ICT	95%	95%	97%	15%	35%	70%	95%	95%	R3 921 554,60	
Environmental Well-being			Furniture	Furniture	Furniture	95%	95%	97%	15%	35%	70%	95%	95%	R435 556,00	
Environmental Well-being			Motor Vehicle	Motor Vehicle	Motor Vehicle	95%	95%	97%	15%	35%	70%	95%	95%	R0	
Environmental Well-being			Plant	Plant	Plant	95%	95%	97%	15%	35%	70%	95%	95%	R387 400,00	
Environmental Well-being			Security & Safety	Safety	Safety	95%	95%	97%	15%	35%	70%	95%	95%	R1 902 161,56	
Environmental Well-being			Roads	Roads	Roads	95%	95%	97%	15%	35%	70%	95%	95%	R0	
Environmental Well-being			Pipelines	Pipelines	Pipelines	95%	95%	97%	15%	35%	70%	95%	95%	R0,00	
Environmental Well-being			Equipment/ Pumps	Equipment/ Pumps	Equipment/ Pumps	95%	95%	97%	15%	35%	70%	95%	95%	R78 228 687,59	
Environmental Well-being			MV/LV/Genset	MV/LV/Genset	MV/LV/Genset	95%	95%	97%	15%	35%	70%	95%	95%	R11 937 469,00	
Environmental Well-being			C&I Systems	C&I Systems	C&I Systems	95%	95%	97%	15%	35%	70%	95%	95%	R0,00	
<b>R103 260 538,00</b>															

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 feasibility studies and major projects at ERWAT Water Care Works (WCW), for projects that contribute either directly or indirectly to the flagship projects.

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 feasibility 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 covers 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	Completed
	Detail Design	On hold
Olifantsfontein WCW Upgrade	Inception	Completed
	Preliminary Design	Ongoing
	Detail Design	On hold
Ancor WCW Upgrade	Inception	Completed

<b>PROJECT NAME</b>	<b>PROJECT STAGES</b>	<b>IMPLEMENTATION STATUS</b>
	Preliminary Design	Completed
	Detail Design	On hold
Welgedacht WCW Upgrade	Inception	Completed
	Preliminary Design	Completed
	Detail Design	On hold
Vlakplaats WCW Upgrade	Inception	Completed
	Preliminary Design	Ongoing
Ratanda WCW Upgrade	Inception	Completed
	Inception	Completed
	Detail Design	Ongoing

## 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 2024/2025 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 MI/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 MI/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 MI/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 MI/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**



Capex plan 2025  
2026 and MTREF

Vote Number	Department: ERWAT	Original Budget 2024/25		Proposed Adjustments		Approved Adjustment Budget 2024/2025		2025 - 2026 Budget		2026 - 2027 Budget		2027 - 2028 Budget	
73126460020TCXBAZZER	Head Office	R	500 000,00	R	861 000,00	R	1 361 000,00	R	6 500 000,00	R	2 000 000,00	R	4 250 000,00
73146460020TCXBAZZER	ICT	R	-	R	3 789 279,60	R	3 789 279,60	R	2 500 000,00	R	1 500 000,00	R	4 000 000,00
73156460020TCXBAZZER	Operation Security - Fleet	R	1 750 000,00	R	-	R	1 750 000,00	R	8 901 000,00	R	-	R	11 099 000,00
73436456020TCXBCZZER	Scientific Services	R	-	R	1 702 780,10	R	1 702 780,10	R	8 100 000,00	R	6 000 000,00	R	6 000 000,00
73626449420TCXBHZZER	Benoni	R	2 449 000,00	-R	928 926,93	R	1 520 073,07	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73526449420TCXBHZZER	Esther Park	R	2 550 000,00	-R	2 300 000,00	R	250 000,00	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73546449420TCXBHZZER	Hartebestfontein	R	6 693 791,00	R	2 112 478,94	R	8 806 269,94	R	10 557 017,54	R	9 771 929,83	R	12 469 298,25
73536449420TCXBHZZER	Olifantsfontein	R	7 006 192,00	R	16 827 434,40	R	23 833 626,40	R	25 823 026,01	R	40 605 394,00	R	45 256 297,00
73696449420TCXBHZZER	Rynfield	R	3 858 690,00	-R	2 160 872,54	R	1 697 817,46	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73616449420TCXBHZZER	Ancor	R	6 525 968,00	-R	3 841 211,40	R	2 684 756,60	R	25 323 026,01	R	40 122 017,00	R	45 256 075,00
73686449420TCXBHZZER	Daveyton	R	3 485 874,00	-R	1 861 108,53	R	1 624 765,47	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73666449420TCXBHZZER	Jan Smuts	R	3 283 158,00	R	2 841 593,50	R	6 124 751,50	R	9 223 684,21	R	10 605 263,16	R	10 802 631,58
73676449420TCXBHZZER	J.P Marais	R	2 550 000,00	-R	2 057 331,26	R	492 668,74	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73726449420TCXBHZZER	Welgedacht	R	7 055 000,00	R	1 225 760,89	R	8 280 760,89	R	21 155 359,34	R	29 105 438,23	R	35 324 186,82
73636449420TCXBHZZER	Carl Grundling	R	2 400 000,00	-R	103 088,22	R	2 296 911,78	R	9 890 350,88	R	9 771 929,83	R	11 635 964,91
73646449420TCXBHZZER	Heidelberg	R	5 300 000,00	-R	4 250 000,00	R	1 050 000,00	R	13 223 684,21	R	8 855 263,16	R	8 302 631,58
73656449420TCXBHZZER	Herbert Bickley	R	5 100 000,00	-R	3 600 000,00	R	1 500 000,00	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73716456020TCXBCZZER	Tsakane	R	4 350 000,00	-R	3 706 578,07	R	643 421,93	R	9 890 350,88	R	9 771 929,83	R	11 635 964,95
73706449420TCXBHZZER	Ratanda	R	6 259 327,00	-R	5 259 327,00	R	1 000 000,00	R	8 223 684,21	R	8 105 263,16	R	8 302 631,58
73816449420TCXBHZZER	Dekema	R	7 700 000,00	R	7 721 199,22	R	15 421 199,22	R	10 223 684,21	R	11 105 262,79	R	11 302 631,58
73826449420TCXBHZZER	Rondelbult	R	5 936 000,00	-R	2 208 250,21	R	3 727 749,79	R	9 890 350,88	R	9 771 929,83	R	11 635 964,91
73836449420TCXBHZZER	Vlakplaats	R	5 851 000,00	-R	2 815 198,85	R	3 035 801,15	R	23 906 359,34	R	40 838 815,98	R	45 725 408,00
73846449420TCXBHZZER	Waterval	R	4 396 000,00	R	6 270 904,36	R	10 666 904,36	R	42 321 929,17	R	50 105 525,77	R	80 209 961,36
		R	95 000 000,00	R	8 260 538,00	R	103 260 538,00	R	294 995 612	R	336 667 542	R	413 024 437,00

**SECTION 7: FINANCIAL IMPLICATION**

**7.1 SUMMARY OF DEPARTMENT'S MTREF**

The total budget for 2025/2026 is R1.712 billion as compared to the previous year's adjusted budget of 1.561 billion and is a 10% increase since the previous financial year.

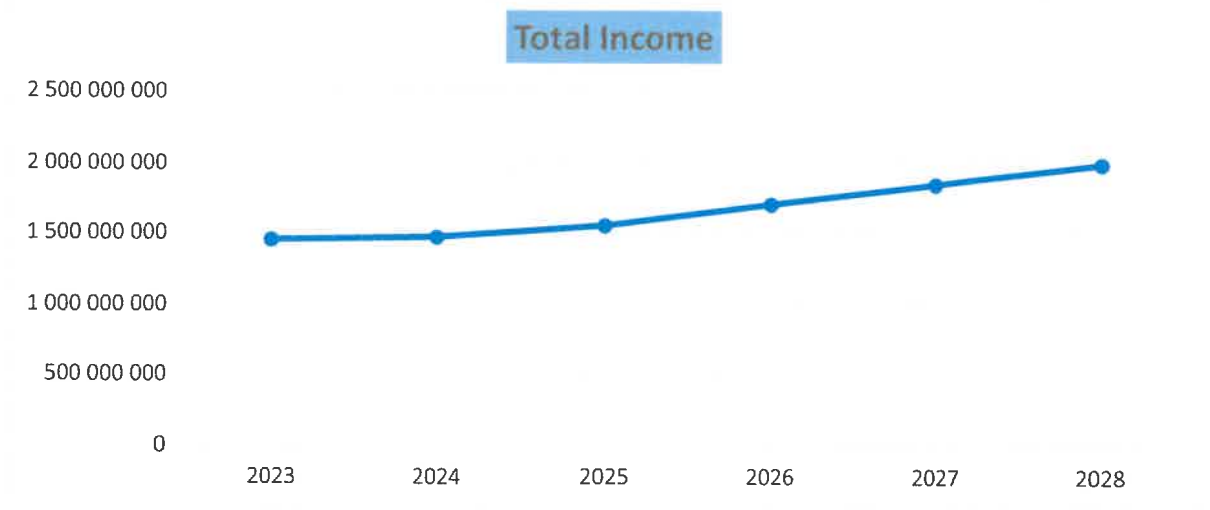
**Table 4: Budget Summary (Income and OPEX)**

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

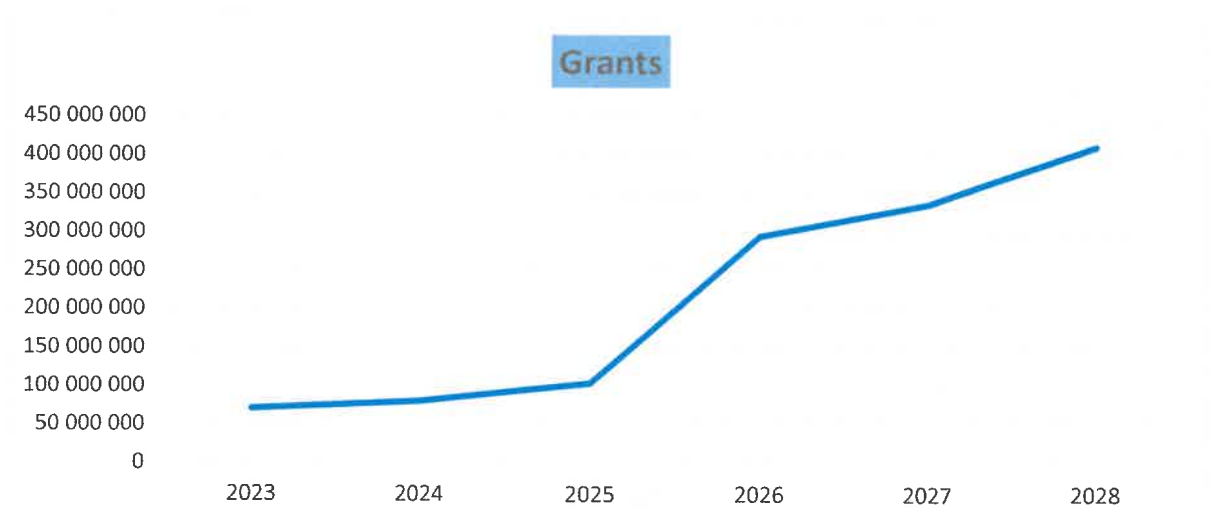
Description	2024/2025 Original Budget	2024/2025 Virements YTD 31 Dec 2024	2024/2025 Budget Adjustments	2024/2025 Approved Adjustment Budget	2025/2026 Budget Request	% Increase 2025/2026	2026/2027 Budget Request	% Increase 2026/2027	2027/2028 Budget Request	% Increase 2027/2028
<b>Revenue By Source</b>										
Interest Income	33 393 602	-	17 393 602	16 000 000	16 189 609	1%	17 322 883	7%	18 535 486	7%
Commercial Business	34 320 000	-	-	34 320 000	37 752 000	10%	41 527 000	10%	43 603 350	5%
<b>Service Charges</b>	<b>1 510 470 206</b>			<b>1 510 470 206</b>	<b>1 658 080 343</b>	<b>10%</b>	<b>1 796 174 755</b>	<b>8%</b>	<b>1 935 190 721</b>	<b>8%</b>
- Service Charges - CoE	1 384 257 579	-	-	1 384 257 579	1 528 989 428	10%	1 663 888 940	9%	1 799 358 567	8%
- Service Charges - Lesedi	26 166 259	-	-	26 166 259	29 044 547	11%	32 239 447	11%	35 785 786	11%
- Service Charges - JHB Water	100 046 368	-	-	100 046 368	100 046 368	0%	100 046 368	0%	100 046 368	0%
<b>Total Revenue (Excl. Grants &amp; Subsidies)</b>	<b>1 578 183 808</b>		<b>17 393 602</b>	<b>1 560 790 206</b>	<b>1 712 021 952</b>	<b>10%</b>	<b>1 855 024 638</b>	<b>8%</b>	<b>1 997 329 557</b>	<b>8%</b>
Description	2024/2025 Original Budget	2024/2025 Virements YTD 31 Dec 2024	2024/2025 Budget Adjustments	2024/2025 Approved Adjustment Budget	2025/2026 Budget Request	% Increase 2025/2026	2026/2027 Budget Request	% Increase 2026/2027	2027/2028 Budget Request	% Increase 2027/2028
Bulk Purchases and materials	440 187 091	-	7 064 923	433 122 168	519 296 249	19,90%	556 323 394	7,13%	596 245 874	7,18%
Debt impairment	1 742 850	-	-	1 742 850	1 829 993	5,00%	1 921 493	5,00%	2 017 567	5,00%
Depreciation and amortisation	141 920 210	-	21 079 508	120 840 702	110 587 740	-8,48%	118 390 518	7,06%	127 385 808	7,60%
Employee related costs	517 996 192	-	528 177	517 468 015	587 377 896	13,51%	641 525 598	9,22%	682 665 536	6,41%
Finance costs	39 087 769	3 000 000	-	36 087 769	35 624 424	-1,28%	31 548 924	-11,44%	27 635 417	-12,40%
General expenditure	227 241 878	2 500 000	-	229 741 878	237 873 219	3,54%	257 392 415	8,21%	278 100 830	8,05%
Impairment	6 122 649	-	8 877 351	15 000 000	10 500 000	-30,00%	7 650 000	-27,14%	6 965 385	-8,95%
Repairs and maintenance	178 011 196	500 000	-	178 511 196	208 932 431	17,04%	240 272 296	15,00%	276 313 140	15,00%
<b>Total Operating Expenditure</b>	<b>1 552 309 835</b>		<b>19 795 257</b>	<b>1 532 514 578</b>	<b>1 712 021 952</b>	<b>11,71%</b>	<b>1 855 024 638</b>	<b>8,35%</b>	<b>1 997 329 556</b>	<b>7,67%</b>



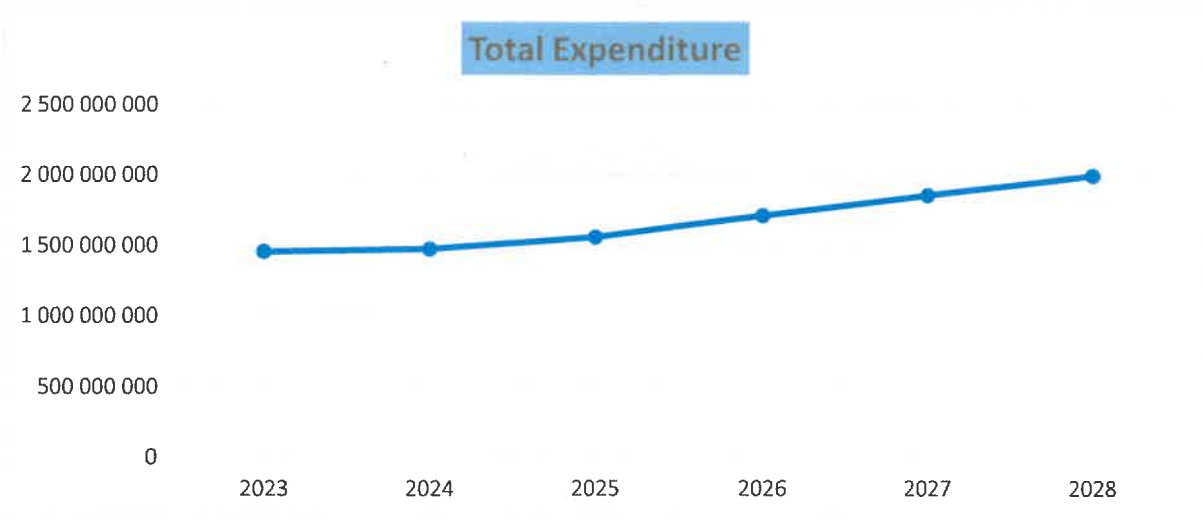
**Income:** ERWAT has a total revenue budget of **R1.561 billion** which is a 5.83% increase on the total revenue budgeted for 2023/24. The total revenue excludes grants and subsidies received.



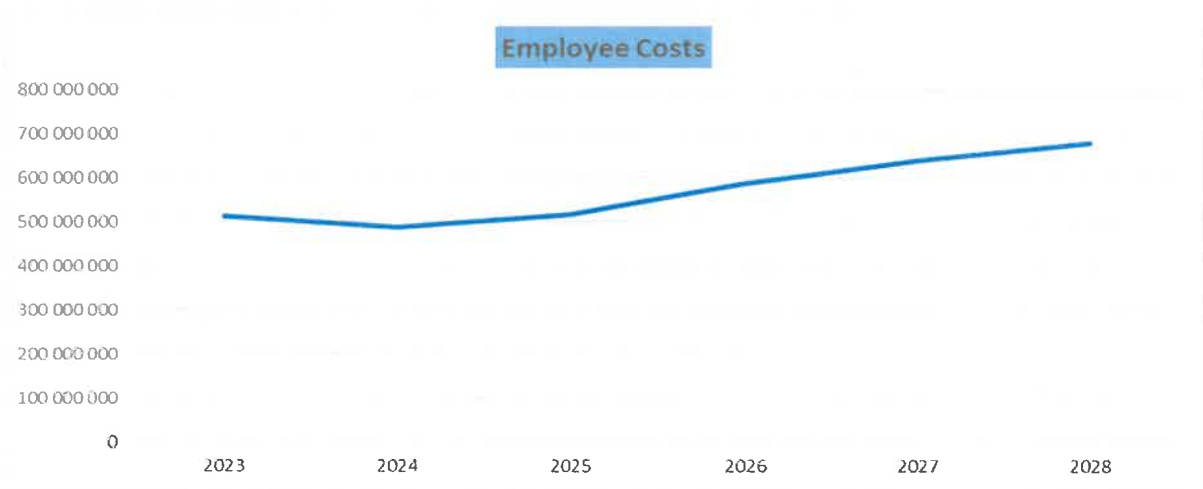
**Graph 1: total income**



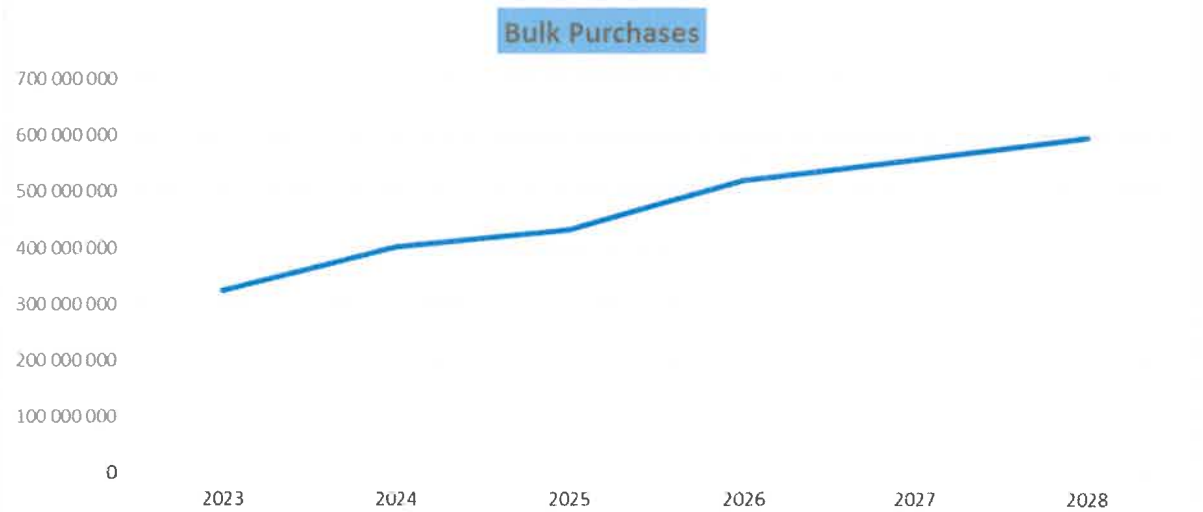
**Graph 2: Grants received**



**Graph 3: Total expenditure**



**Graph 4: Employee related cost**



**Graph 2: Bulk purchases**

**Capital Expenditure:**

ERWAT has budgeted capital expenditure amounting to R 295 million for the 2025/26 financial year (of which R200 million is grant funded and approximately R95 million will be from own funds).

**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 8 260 538.00	R 94 500 000.00	R 96 667 542.00
USDG	R 80 000 000.00	-	R80 000 000.00	R 95 000 000.00	R 200 500 000.00	R 240 000 000,00
<b>Total</b>	<b>R127 646 091.00</b>	<b>R135 616 091,00</b>	<b>R 135 616 091.00</b>	<b>R 103 260 538,00</b>	<b>R 294 995 612,00</b>	<b>R 336 667 542,00</b>

## 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 2025/26.

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 (adjusted)	Required Budget F/Y	Projected Growth Rate (%)
	2023/2024	2024/2025	2025/2026	2024/2025 to 2025/2026
	435 253 180	517 468 015	587 377 896	13.5%

Note: Last updated April 2025

Contracted services expenditure is on an upward trend and is expected to increase to R178 511 196 in 2024/25.

**Table 8: Expenditure on contracted services**

TOTAL CONTRACTED SERVICES EXPENDITURE				
Contracted Services Expenditure	Previous FY (actual)	Current F/Y (adjusted)	Required Budget F/Y	Projected Growth / Decrease (%)
	2023/2024	2024/2025	2025/2026	2024/2025 to 2025/2026
	173 585 656	178 511 196	208 932 431	17%

Note: Last updated April 2025

The ratio between staff expenditure and other operating expenditure is on an upward trend and is expected to reach 34% in 2025/26.

**Table 9: Staff Expenditure versus operational expenditure**

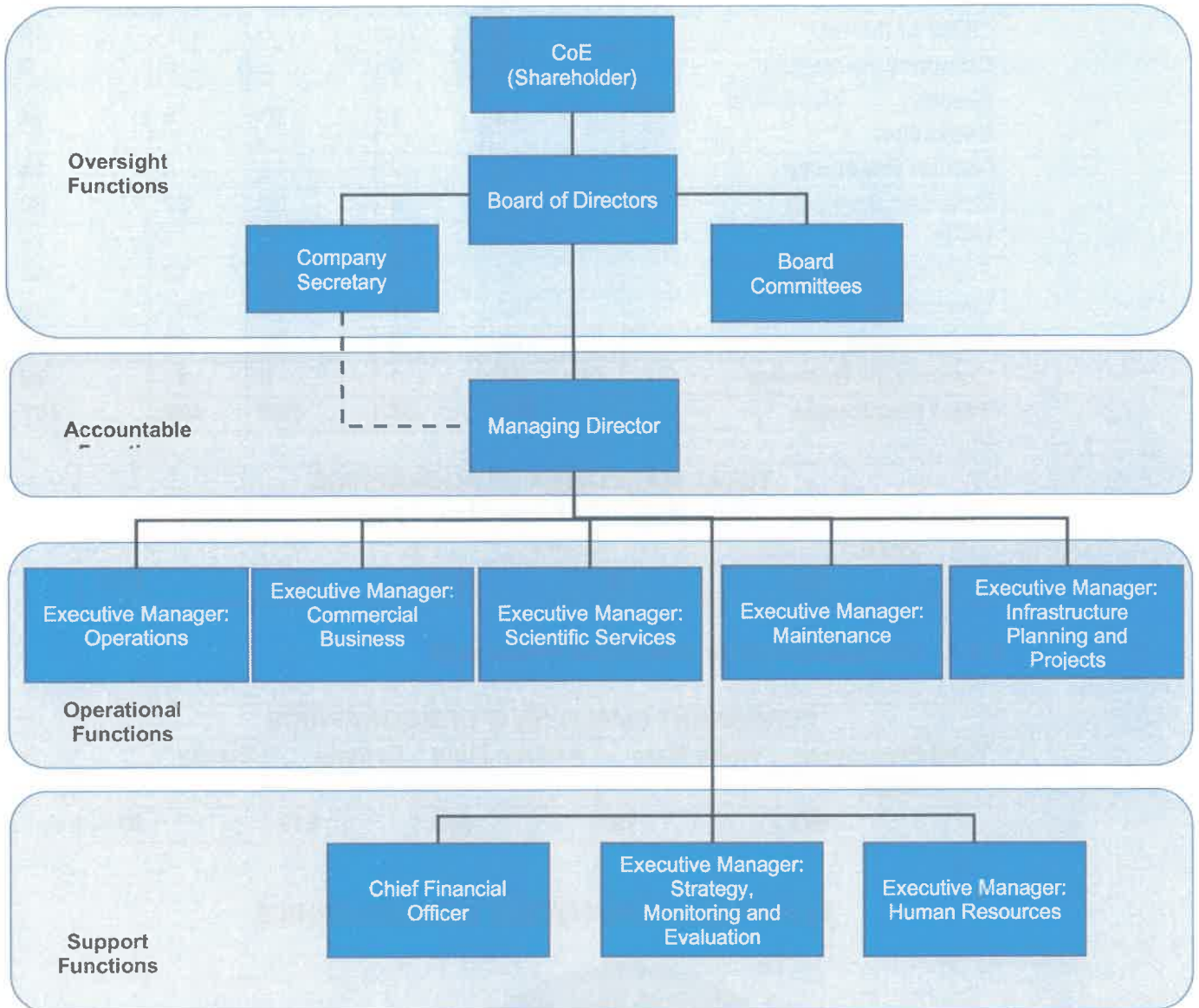
RATIO OF STAFF TO OPERATING EXPENDITURE				
	Previous FY (actual)	Current F/Y (adjusted)	Required Budget F/Y	Projected Growth / Decrease (%)
	2023/2024	2024/2025	2025/2026	2024/2025 to 2025/2026
	Staff Expenditure	435 253 180	517 468 015	587 377 896
Operating Expenditure	1 399 203 756	1 532 514 578	1 712 021 952	11.7%
Ratio	31%	34%	34%	

Note: Last updated April 2025

**SECTION 8: HUMAN RESOURCE ANALYSIS**

**DISCUSSIONS**

**ORGANISATIONAL STRUCTURE**



## ERWAT Manpower employment statistics

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

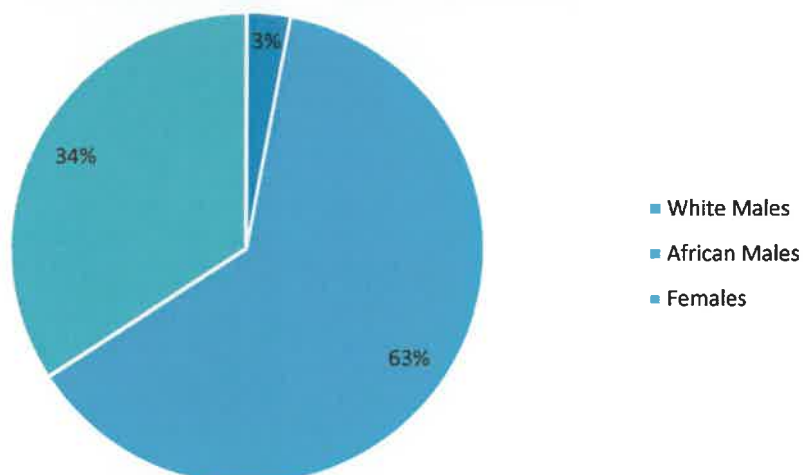
TOTAL MANPOWER AS AT 31 DECEMBER 2024					
Department/Section	African	White	Female	Male	Total
Board	2	1	2	1	3
Office of the MD	9	1	5	5	10
Company Secretariat	2	0	2	0	2
Strategy, Monitoring and Evaluation	13	1	10	4	14
Human Resources	14	2	12	4	14
Scientific Services	54	6	38	22	60
IPAP	14	0	7	7	14
Financial Services	37	2	25	18	43
Operations	387	11	107	291	398
Maintenance	100	8	29	79	108
Commercial Business	38	1	8	31	39
<b>Total Employees</b>	<b>670</b>	<b>37</b>	<b>245</b>	<b>462</b>	<b>707</b>

TOTAL MANPOWER DEMOGRAPHICS				
Total Employees 2024	White Male	African Male	Female	Equity
707	19	443	245	97%

### 8.1.2. Demographics for permanent employees

PERMANENT EMPLOYEES' DEMOGRAPHICS				
Total Employees 2024	White Male	African Male	Female	Equity
641	19	403	219	97%

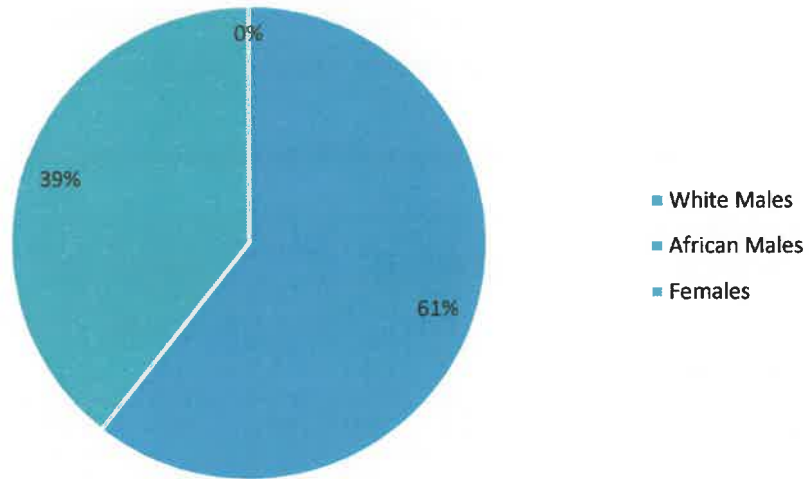
### PERMANENT EMPLOYEES' DEMOGRAPHICS



### 8.1.3. Demographic for non-permanent employees

NON- PERMANENT EMPLOYEES' DEMOGRAPHICS				
Total Employees 2024	White Male	African Male	Female	Equity
66	0	40	26	100%

#### NON-PERMANENT EMPLOYEES' DEMOGRAPHICS



## 8.2. Employment equity statistics

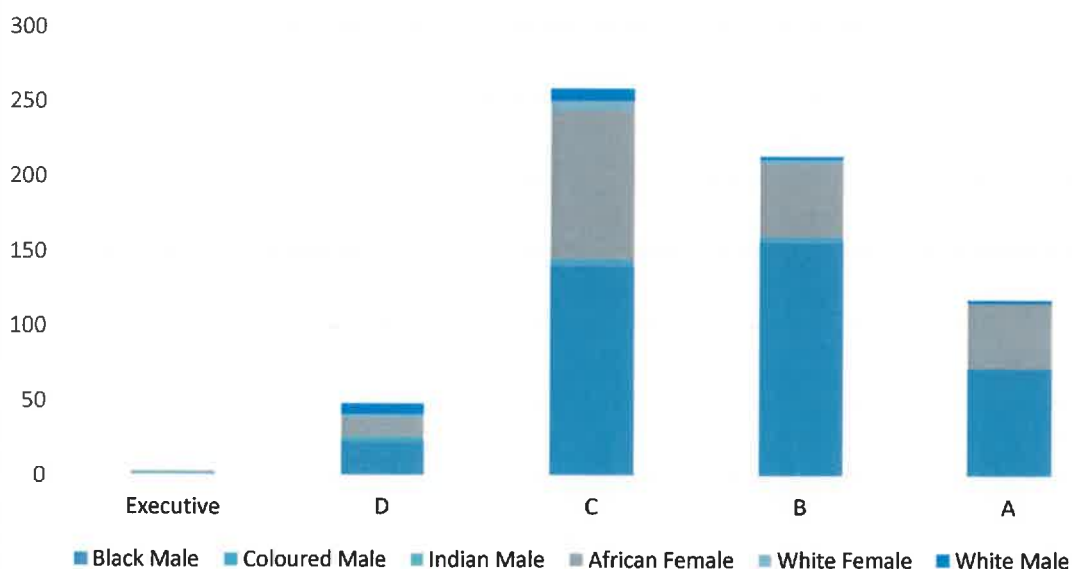
### 8.2.1. Definition of employee categories

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		TOTAL	EQUITY
	B	C	I	F	F	M		
Executive	0	1	0	1	1	0	3	100%
D	22	2	2	12	3	7	48	84%
C	140	4	1	99	7	8	259	96%
B	156	4	0	48	4	2	214	99%
A	72	0	0	44	0	2	118	98%
<b>Total</b>	<b>390</b>	<b>11</b>	<b>3</b>	<b>204</b>	<b>15</b>	<b>19</b>	<b>642</b>	<b>97%</b>

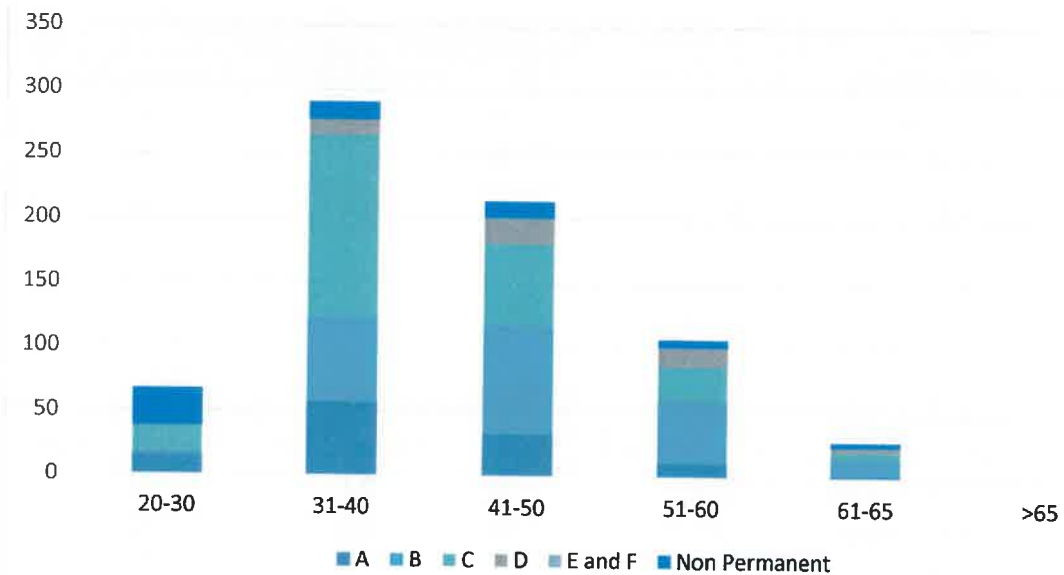
### PERMANENT STAFF PATERSON LEVEL





OCCUPATIONAL CATEGORIES	AGE ANALYSES						Total
	20-30	31-40	41-50	51-60	61-65	>65	
Unskilled and defined decision-making	15	57	33	11	2	0	118
Semi-skilled and discretionary decision-making	2	66	84	48	13	0	213
Skilled Technical and academically qualified workers, junior management, supervisors and superintendents	21	142	64	27	5	0	259
Professionally qualified and experienced specialists and middle management	0	12	19	14	3	0	48
Top Management	0	0	1	1	1	0	3
<b>Total Permanent</b>	<b>38</b>	<b>277</b>	<b>201</b>	<b>101</b>	<b>24</b>	<b>0</b>	<b>641</b>
Non-Permanent Employees	29	14	13	6	4	0	66
<b>Total on Payroll</b>	<b>67</b>	<b>291</b>	<b>214</b>	<b>107</b>	<b>28</b>	<b>0</b>	<b>707</b>

### AGE DISTRIBUTION FOR EMPLOYEES BY JOB GRADE

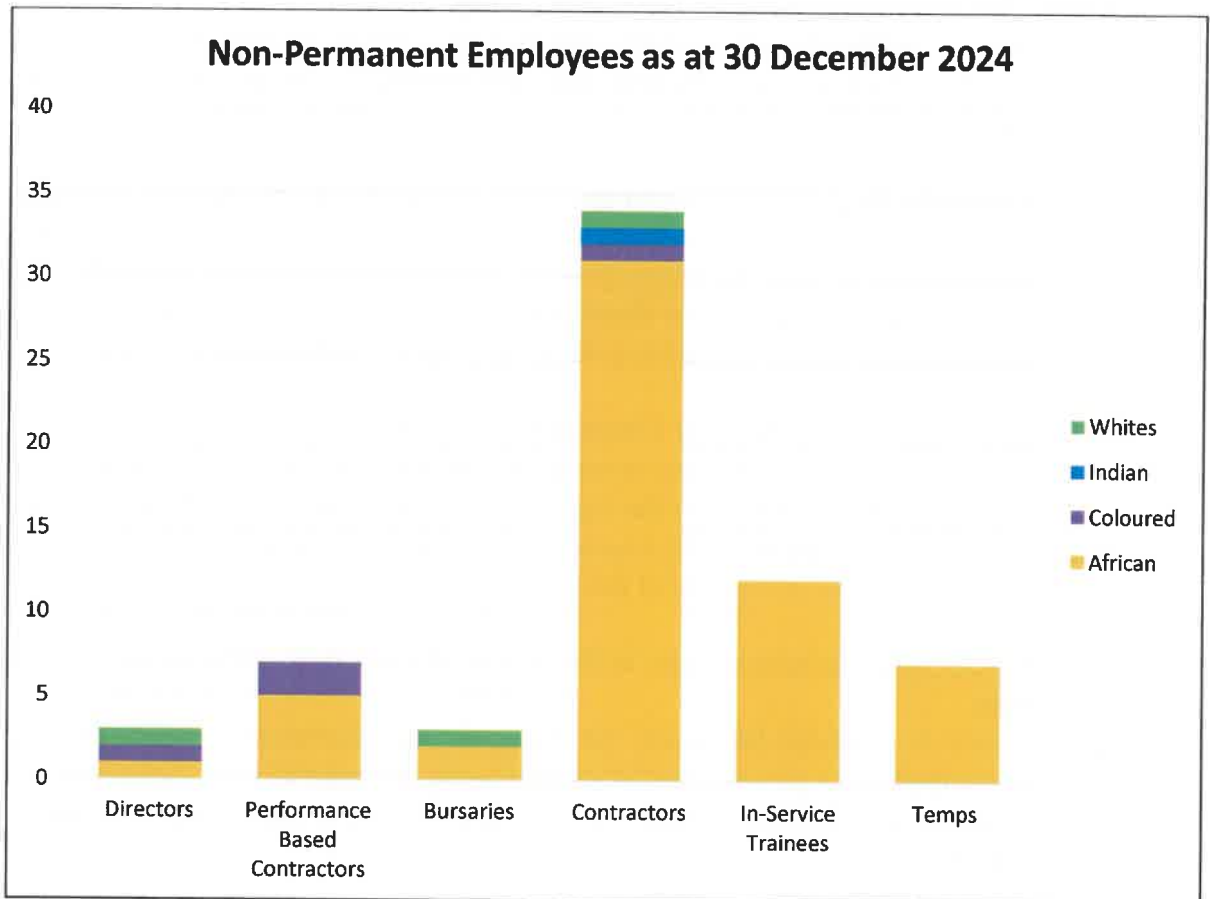


The current age distribution of ERWAT depicts that most employees range between the ages of 31-40.



### 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	31	1	1	1	34
In-Service Trainees	12	0	0	0	12
Temps	7	0	0	0	7
<b>Total</b>	<b>58</b>	<b>4</b>	<b>1</b>	<b>3</b>	<b>66</b>



## 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.

#### **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 a 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 a 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. It is ensured that adequate risk action plans are developed 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

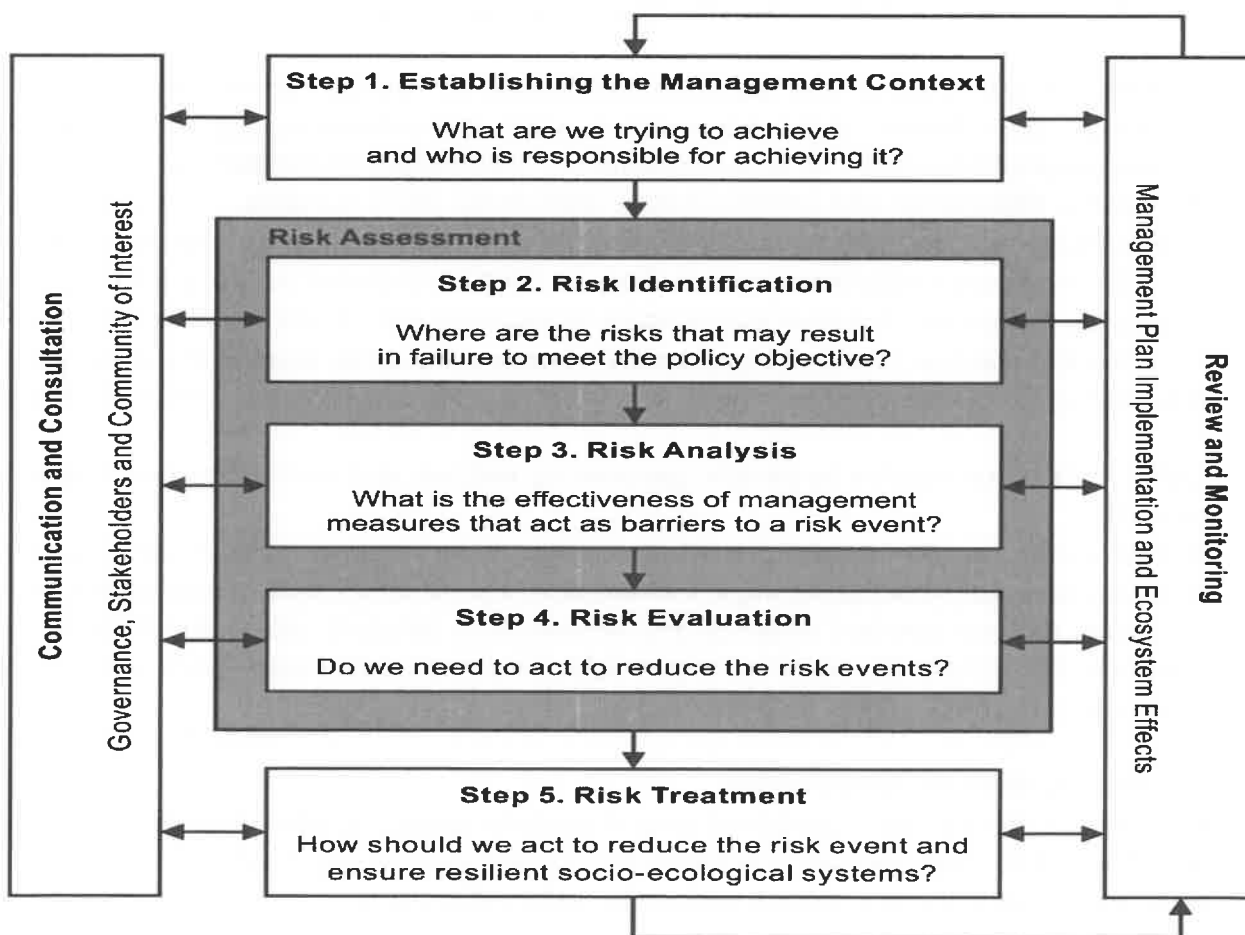
This risk could create compliance challenges and increase operational costs for ERWAT. If the Act is amended to tighten these restrictions, ERWAT's ability to secure funding for capital projects or

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
ERW 1	Inadequate infrastructure to treat wastewater	CF 1.3 'a) Outdated, aging and inadequate infrastructure to treat high strength industrial effluent due to lack of budget related projects. Current Capacity (14 WCCWs operating above 100% capacity, 3WCCWs operating at 80+ to 100% and only 2 WCCWs operating below 80%)	CC1. 3.1 Grant Funding (Urban settlement development grant)	High	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- Research and Initiate new processes in this FY
			CC1. 3.2 ERWAT implemented the 2023/2024 Capex Plan- target of +/- 98,10% was achieved.		RAP1. 3.2.1 Implement the 2024/2025 Capex plan
			CC1. 3.4 Wastewater conveyance and treatment systems regionalisation and 50-year master plan		RAP1. 3.2.2 Plant Optimisation Modelling
			CC1. 3.5 Wastewater Risk Abatement Plans		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
			CC1. 3.5 Wastewater Risk Abatement Plans		RAP1. 3.5 Review the Wastewater Risk Abatement Plans every 3rd year (2023)

REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans
		technology to treat high strength industrial effluent due to lack of budget to implement newer technologies (OPS).	CC1. 3.6 Organic testing of industrial effluent. CC1. 3.8 Tracking of incidents and on a quarterly to assist in planning to build operational resilience and improving compliance		RAP1. 3.6 Monthly Screening for Industries exceeding law limits RAP1. 3.8 Quarterly tracking of incidents
		CF 1.5 Delays in bringing back equipment to services due to long lead time 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
ERW 2	Inadequate preparedness in the event of an emergency/natural disaster.	CF 2.1 Some plants of the 19 Wastewater Care Works do not have wastewater bypassing systems and emergency dams CF 2.3 Inadequate Business Continuity	CC2. 1 Water Bypass System for some Wastewater Care Works and emergency dams CC2. 3.1 Business Continuity Management Policy	High	RAP2. 1 There is no further risk action planned to be implemented due to budget constraints. ERWAT Capex budget is limited to 95 million RAP2. 3.1 Develop an ERWAT Disaster Management Framework



REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans
ERW 3	Potential loss of the ISO 17025 accreditation	Management Program	CC2. 3.2(a) Business Continuity Management Risk Assessments for Water Care Works and Support Services	High	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		RAP2. 3.3(b) Training of BCM Co-ordinators
			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
		CF 3.1 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 Instrumentation Maintenance Plan		RAP3. 1(a) Implement Capex 2 items: 2 x Flow injection analysers GC-MS equipment
		CF 3.2 Lack of budget for planned maintenance of the laboratory building	CC3. 1 (b) Use of obsolete scrapped equipment spares		
			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.

REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans
ERW 4	Inadequate preparedness in the event of total grid collapse resulting in extended blackouts	CF 4.1 Load shedding challenges facing the South African government	CC4.1 No current control	High	RAP4.1 No further action plan to be implemented due to the network configuration
		CF 4.2 Thirty-Six (36) Gensets to power critical processes and UPS for the Laboratory	CC4.2 Conduct a feasibility study on alternative energy such as Hydropower, Solar etc		RAP4.2 Do a feasibility study on alternative energy such as Hydropower, Solar etc
		CF 4.3 Repair non-operational Gensets- Procure and Install additional Gensets			RAP4.3(a) Repair all non-operational Gensets
ERW 5	Inability to spend in accordance with the allocated budget	CF 5.1 High vacancy rate due to the backlog caused by the previous monotorium	CC5.1 Implementation of the 2023/24 Recruitment Plan	Med	RAP5.1 Implemented the 2024/205 Recruitment Plan.
		CF 5.2 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)
ERW 6	Inadequate revenue generation to supplement the approved budget	CF 6.1 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.

REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans
ERW 7	Failure to meet capital expenditure set target	CF 6.2 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
		CF 6.4 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.
ERW 7	Failure to meet capital expenditure set target	CF 7.1 Delays in Supply Chain processes. (Including the effect of the Pandemic)- IPAP	CC7. 1.1 Implementation of the 2023-2024 CAPEX Plan	Med	RAP7. 1.1 Implementation of the 2024-2025 CAPEX Plan
ERW 8	Potential loss of key skills	CF 8.1 Unexpected loss of key employees due to the resignation, retirement, death etc.	CC8. 1.1 Review HR Policies after every 3 years	Med	RAP8. 1.1 Review the HR Policies on an as and when the need arises
			CC8. 1.3 ERWAT Progression Framework		RAP8. 1.3 Review of existing Progression Framework to include other departments
			CC8. 1.7 Implementation of 2023/24 Annual Training Plan		RAP8. 1.7 Implement the 2024/2025 Training Plan
			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

REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans	
ERW 9	Potential delays in the supply and delivery of critical goods and services as a result of procurement challenges	CF 9.1	Late commencement of bid processes by user departments and discrepancies around specifications	High	RAP9.1.1	Review the SCM Policy as and when legislation changes
		CF 9.3	Long lead time to deliver goods/ services due to external factors such as Pandemics, Rise in Logistics Cyber Attacks, Shortage of supplies & Consumables etc.		RAP9.1.3	Review the 2024//25 Procurement Plan and track the implementation thereof
ERW 10	Potential Loss of, and Unauthorised	CF 10.1	Aging ICT infrastructure leading to higher hardware	High	RAP1.0.1(a)	Replacement of server infrastructure
		CF 10.1				
		CC8.2.4	Wellness workplace programmes	High	RAP8.2.4	Implementation of the 2024/25 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

REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans
	Access Critical Information	failure (80%-85%) of the Server Hardware has reached end of life support, leading to difficulties in procuring replacement spare, warranties, etc)	Recovery Plan (Cloud back-up)		RAP1 0.1(b) Upgrade unsupported operating systems
		Non- Compliance/ disregarding (Knowingly or unknowingly) Occupational Health & Safety policies and Standard operating procedures. (e.g. Inappropriate use of PPE;)	Logical access policy		RAP1 0.3.3 Develop a Cyber-Security policy
		CF 11.1	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 -MS- SOP-SA005 Confined Space Procedure -MS- SOP-SA006 Excavation Procedure -MS- SOP-SA007 Wearing of Safety Harness -MS- SOP-SA008		RAP1 1.1.2(a) Development of Occupational Health Standard Operating Procedures: Employee Assistance Programme
					RAP1 1.1.2(b) Review of Safety Standard Operating Procedures 1. Occupational Health & Safety Procedures (SOPs) 2. MS- SOP-SA002 Health and Safety Representative Procedure 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

REF	Risk Title	Contributing Factors	Current Mitigating Controls	RR	Risk Action Plans
	Potential injuries to people (personnel, visitors and contractors) and damage to property		Fall Protection Plan -MS- SOP-SA009 Control of contractors working at ERWAT -MS- SOP-SA0010 HSE Plan		working at ERWAT 10. MS- SOP-SA0010 HSE Plan
		CF 11.2 Deteriorating workplace condition due to inadequate maintenance	CC11.2.1 2024/2025 Maintenance Plan		RAP1 1.2.1 Maintenance of Buildings by Operations Department

## **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 2025/2026 financial period, ERWAT will continue to focus on improving operational excellence through the achievement of Green Drop targets and expanding market reach towards becoming financially sustainable. This is in terms of the new strategy that was approved in June 2024. The entity is working hard towards closing the gap with available resources, to ensure that there is sufficient wastewater treatment capacity to meet current and future demands. This is measured in terms of the city-wide target for unused wastewater capacity. The aim is to progressively upgrade and augment the water care works, especially those that are operating beyond its design capacity and ultimately reach a point where spare capacity is available. This is a long-term outlook that is highly dependent on availability of funding. The departmental SDBIP performance areas of ERWAT will continue its focus on the investment into the entity's infrastructure, which is central to CoEs and the country's development goals. Furthermore, maintaining the focus on the protection of the environment and public health through improved quality of effluent discharges and adherence to Green Drop requirements, clean public administration, sustainable financial management and improving external revenue streams towards becoming self-sustainable.

**SECTION 12: ANNEXURES**

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



Capex plan for 2025/  
26 and MTREF

**TABLE A – ADJUSTED REVENUE BUDGET**

Description	2024/2025 Original Budget	2024/2025 Virements YTD 31 Dec 2024	2024/2025 Budget Adjustments	2024/2025 Approved Adjustment Budget	2025/2026 Budget Request	% Increase 2025/2026	2026/2027 Budget Request	% Increase 2026/2027	2027/2028 Budget Request	% Increase 2027/2028
<b>Revenue By Source</b>										
Interest Income	33 393 602	-	17 393 602	16 000 000	16 189 609	1%	17 322 883	7%	18 535 486	7%
Commercial Business	34 320 000	-	-	34 320 000	37 752 000	10%	41 527 000	10%	43 603 350	5%
<b>Service Charges</b>	<b>1 510 470 206</b>			<b>1 510 470 206</b>	<b>1 658 080 343</b>	<b>10%</b>	<b>1 796 174 755</b>	<b>8%</b>	<b>1 935 190 721</b>	<b>8%</b>
- Service Charges - CoE	1 384 257 579	-	-	1 384 257 579	1 528 989 428	10%	1 663 888 940	9%	1 799 358 567	8%
- Service Charges - Lesedi	26 166 259	-	-	26 166 259	29 044 547	11%	32 239 447	11%	35 785 786	11%
- Service Charges - JHB Water	100 046 368	-	-	100 046 368	100 046 368	0%	100 046 368	0%	100 046 368	0%
<b>Total Revenue (Excl. Grants &amp; Subsidies)</b>	<b>1 578 183 808</b>		<b>17 393 602</b>	<b>1 560 790 206</b>	<b>1 712 021 952</b>	<b>10%</b>	<b>1 855 024 638</b>	<b>8%</b>	<b>1 997 329 557</b>	<b>8%</b>

**TABLE B – ADJUSTED OPERATING EXPENDITURE**

Description	2024/2025 Original Budget	2024/2025 Virements YTD 31 Dec 2024	2024/2025 Budget Adjustments	2024/2025 Approved Adjustment Budget	2025/2026 Budget Request	% Increase 2025/2026	2026/2027 Budget Request	% Increase 2026/2027	2027/2028 Budget Request	% Increase 2027/2028
Bulk Purchases and materials	440 187 091	-	7 064 923	433 122 168	519 296 249	19,90%	556 323 394	7,13%	596 245 874	7,18%
Debt Impairment	1 742 850	-	-	1 742 850	1 829 993	5,00%	1 921 493	5,00%	2 017 567	5,00%
Depreciation and amortisation	141 920 210	-	21 079 508	120 840 702	110 587 740	-8,48%	118 390 518	7,06%	127 385 808	7,60%
Employee related costs	517 996 192	-	528 177	517 468 015	587 377 896	13,51%	641 525 598	9,22%	682 665 536	6,41%
Finance costs	39 087 769	3 000 000	-	36 087 769	35 624 424	-1,28%	31 548 924	-11,44%	27 635 417	-12,40%
General expenditure	227 241 878	2 500 000	-	229 741 878	237 873 219	3,54%	257 392 415	8,21%	278 100 830	8,21%
Impairment	6 122 649	-	8 877 351	15 000 000	10 500 000	-30,00%	7 650 000	-27,14%	6 965 385	-8,95%
Repairs and maintenance	178 011 196	500 000	-	178 511 196	208 932 431	17,04%	240 272 296	15,00%	276 313 140	15,00%
<b>Total Operating Expenditure</b>	<b>1 552 309 835</b>		<b>19 795 257</b>	<b>1 532 514 578</b>	<b>1 712 021 952</b>	<b>11,71%</b>	<b>1 855 024 638</b>	<b>8,35%</b>	<b>1 997 329 556</b>	<b>7,67%</b>