ERWAT: First Quarter Departmental Performance Reporting Template

2025/26 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

1. Executive Summary by the Department

ERWAT focuses on sustainable wastewater management and resources recovery to deliver compliant, efficient and environmentally responsible services that protect public health in the broader City of Ekurhuleni. ERWATs strategy is anchored in two key objectives:

1. **Achieving and maintaining Green Drop Certification at all Water Care Works –** This focus ensures that the entity strengthens its operational efficiency, reduces environmental and health risks and is responsive to community needs.
2. **Ensuring financial sustainability** through commercialization and finance management – Ensuring that the entity operates within its financial means, generating sufficient revenue and efficiently managing resources to sustain service delivery, meet statutory obligations and support investment in infrastructure.

These objectives are aligned with the City of Ekurhuleni's, Integrated Development Plan (IDP and the long-term Growth and Development Strategy (GDS). A key focus is ensuring adequate wastewater treatment capacity for current and future needs. ERWAT continues to invest in infrastructure renewal. The SDBIP areas for ERWAT emphasize the following:

- Improved quality of water, including wastewater
- Improved revenue and debtors' management
- Improved municipal administration
- Enhanced municipal budgeting and budget implementation
- Growing inclusive local economies
- Improved expenditure management,
- Improved asset management
- Improved supply chain management

ERWATs performance in Quarter 1 of 2025/2026 is very good at 88% achievement of reportable targets considered for the performance of the entity. The entity achieved seven (7) out of the eight (8) reportable indicators, which is considered for performance in the first quarter of 2025/2026, as shown in Table A, below. There are in total fourteen (14) performance indicators, comprising of four (4) city wide indicator of which three (3) are reportable in Quarter 1 and ten (10) departmental indicators, of which five (5) are reportable in Quarter 1. The entity achieved three (3) city-wide indicators and four (4) departmental indicators, which are reportable for performance in Quarter 1.

Table A: Summary of Service Delivery Performance

Service Delivery Monitoring					
	Total number of targets	**Total number of targets set for performance measurement in the quarter**	**Achieved**	**Not achieved**	**Variance**
City Wide SDBIP	4	3	3	0	0
Department SDBIP	10	5	4	1	-1

ERWAT has met the city-wide indicators for wastewater treatment capacity, external revenue generation and compliance with the wastewater treatment license conditions, which demonstrates the entity's commitment to the improving the service delivery outcomes as defined by City of Ekurhuleni's Integrated Development Plan (IDP). Important to note is that the City of Ekurhuleni has increased the MTREF for ERWAT for its capex programme. For the departmental indicators, a noteworthy improvement is the achievement of the total operating expenditure indicator for the first time since this indicator was introduced in the 2022/2023 financial year due to the focus on budget implementation. ERWAT continues to align expenditure with achieving Green Drop objectives, protecting the environment and public health. However, the targeted procurement spend on SMMEs was not fully met during the reporting period due to two key factors. Firstly, some service providers experienced growth and were reclassified, resulting in a reduced proportion of spend attributed to SMMEs. Secondly, not all project-related invoices could be processed within the period, as portions of the contracted work are still in progress and pending completion. These factors impacted the timing and classification of spend recorded against SMME targets.

ERWAT, with support from the City of Ekurhuleni, is advancing well in the feasibility phase of its Mega Catalytic Projects, which is aligned with the entity's 50-year master and regionalisation plan to support future development. The programme has been selected as one of South Africa's Top 7 projects for preparation funding by Infrastructure South Africa(ISA). Upgrading Water Care Works capacity is vital to address current backlogs and support future growth. ERWAT also met its capex spending targets for Quarter 1 in 2025/2026 to address short-term infrastructure needs.

2. Service Delivery Monitoring

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).

Q1 Target

-50%

Q1 Actual

-48%

Comment

Target is achieved due realistic target setting given the prevailing challenges

Reasons for Variance

There was not a significant increase in actual flows, within the constrained WCW.

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. More financial resources are required to eliminate any negative unused capacity and create some spare capacity. The capacity upgrade or extension is subject to the implementation of the 50-year regionalisation master plan and the availability of funds for the plan.

KPI 2 – City-wide

Net Surplus /Deficit Margin for Wastewater

Method of measure:

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

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.

Q1 Target

N/A

Q1 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 3 – City-wide

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)

Q1 Target

R7 900 000

Q1 Actual

R9 906 076

Comment:

Revenue Target for Quarter 1 was achieved with a positive variance of R2 006 076

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 ad-hoc projects.

Remedial action
No remedial action required

KPI 4 – City-wide

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.

Q1 Target

75%

Q1 Actual

82%

Comment

KPI Achieved

The entity achieved 82% Quarterly target by a positive variance of 7%.

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 supply interruptions
- Intermediate chemical shortages

- 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, Tsakane, Rynfield, Dekema, Rondebult, Esther Park, Welgedacht, Olifantsfontein Vlakplaats and Herbert Bickley experienced the most critical equipment failures impacting directly on the effluent compliance, an increase of 4.06% 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 Q1 2025/2026	% of critical equipment not available Q4 2024/2025	Comments on the regression
Ancor	0%	8%	N/A
Benoni	48%	21%	Recurring breakdowns of ferric dosing system and biofilter recycle pumps
Carl Grundlingh	7%	12%	N/A
Daveyton	0%	0%	N/A
Dekema	33%	15%	Failure on Section 1 PST 1, & 2, Section 7 biofilter arm, Desludge valve section 2, section 4 PST 7.
Esther Park	22%	11%	Recurring breakdowns on screen compactor, screw conveyor and aerator number 02
Hartebeestfontein	0%	18%	N/A
Heidelberg	2%	0%	Unavailability of aerators due to faulty gearboxes
Herbert Bickley	11%	14%	N/A
Jan Smuts	0%	0%	N/A
JP Marais	7%	0%	Breakdown of inlet screen no screens contract. PST chain block not repaired as a bigger crane truck was needed and PR for titanium was needed still awaiting PO so repairs can be down.
Olifantsfontein	13%	3%	Recurring breakdowns of PST recycle pumps and filter belt press
Ratanda	6%	13%	N/A
Rondebult	22%	18%	Failure on Humus tank # 4, ferric dosing pump, and degritter pump
Rynfield	33%	32%	Breakdown of mixer number 01

WCW	% of critical equipment not available Q1 2025/2026	% of critical equipment not available Q4 2024/2025	Comments on the regression
Tsakane	36%	19%	Unavailability of compactor Degritter pumps
Vlakplaats	12%	3%	Failure on the fine screen, clarifiers, and module B humus pumps
Waterval	3%	0%	Failure on dewatering fine screens, sludge to lands pumps, and poly make-up mixers.
Welgedacht	20%	10%	Module 1 clarifier broke down and took a while to repair. 4 aerators broke down for gearbox and motor repairs. We have not received PO for all repairs
Average of 19 WCW	14.41%	10.35%	
	2 remain unchanged, 5 improvements and 12 deteriorated.	2 remain unchanged, 12 improvements and 5 deteriorated.	

The average critical equipment failures between Q1 2025-2026 and Q4 2024-2025 have increased by about 4.06%.

- Power supply interruptions

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 1 impacting the compliance of the WCWs directly. It must be noted that the impact of power outages, have a negative impact on the WCW ability to treat wastewater, despite the availability of standby generators As the available generators doesn't have capacity to power all the process units within the WCW, but only limited to the critical process units within the WCW.

It can be noted that in total 897 hours of power failures were experienced on the WCW in Q1, compared to 844 hours in Q4- an increase of 53 hours.

The available operating generators doesn't have the capacity to power the entire sections of the WCW'S

Plant	Quarter 1 2025/2026					
	District	Scheduled Load Reduction	Total hours Load Reduction	Power failures	Total hours Power Failures	Total hours without power
Benoni	DD3	0	0	5	107	107
Esther Park	DD3	0	0	2	32	32
Hartebeestfontein	DD3	0	0	8	17	17
Olifantsfontein	DD3	0	0	3	14	14
Rynfield	DD3	0	0	3	19	19
Ancor	DD4	0	0	2	11	11
Daveyton	DD4	0	0	12	48	48
Jan Smuts	DD4	0	0	2	23	23
JP Marais	DD4	0	0	15	48	48
Welgedacht	DD4	0	0	6	58	58
Herbert Bickley	DD5	0	0	1	8	8
Heidelberg	DD5	0	0	28	92	92
Tsakane	DD5	0	0	4	62	62
Ratanda	DD5	0	0	1	2	2
Carl Grundlingh	DD5	0	0	19	95	95
Dekema	DD6	0	0	22	105	105
Rondebult	DD6	0	0	12	135	135
Vlakplaats	DD6	0	0	10	21	21
Waterval	DD6	0	0	0	0	0
		0	0	155	897	897
Total number of hours without electricity on all impacted Water care Works for Q4.						**897**

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 highest number of power supply interruptions periods (hours) in Q1; Rondebult (135), Benoni (107), Dekema (105), Tsakane (62), Heidelberg (92), Herbert Bickley (8), Welgedacht (58),JP Marais and Daveyton (48).

- 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 which the WCW wouldn't have been designed for, e.g. vehicle oils or lubricants. Even though ERWAT monitor, analyse the sample 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 1. 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 increased in Q1 2025-2026 as compared to Q4 2024-2025, as detailed in the Table below.

	Number Of Industrial Pollution Incidents during Q1 2025/2026	Number Of Industrial Pollution Incidents during Q4 2024/2025
Benoni	16	18
Esther Park	38	12
Hartebeestfontein	70	23
Olifantsfontein	68	37
Rynfield	0	0
Ancor	9	8
Daveyton	0	0
Jan Smuts	13	15
JP Marais	0	0
Welgedacht	2	4
Carl Grundlingh	0	0
Heidelberg	43	37
Herbert Bickley	17	48
Ratanda	2	0

	Number Of Industrial Pollution Incidents during Q1 2025/2026	Number Of Industrial Pollution Incidents during Q4 2024/2025
Tsakane	0	21
Dekema	12	5
Rondebult	4	6
Vlakplaats	0	2
Waterval	2	0
Total	296	236

Hartebeestfontein, Olifantsfontein, Heidelberg and Esther Park WCW were impacted the most by industrial pollution in Q1 2025-2026, the overall pollution incidents has increased by 60 as compared to Q4 2024-2025.

- **Intermediate Chemical Supplies**

The bid for the supply of chemicals (chlorine) was awarded during Q4 2024-2025 period, and some delays were experienced as the appointment of the new service provider was being concluded and onboarded. The alternative disinfectant (chlorine tablets) was used during the contract transition period when there was no chlorine gas. The Table below shows the affected WCW.

	Chlorine gas Shortages days	Disinfection by chlorine tablets days	Ferric Shortages days
Benoni	0 of 92	0 of 92	0 of 92
Esther Park	46 of 92	46 of 92	0 of 92
Hartebeestfontein	0 of 92	0 of 92	0 of 92
Olifantsfontein	16 of 92	16 of 92	0 of 92
Rynfield	14 of 92	14 of 92	0 of 92
Ancor	0 of 92	0 of 92	0 of 92
Daveyton	0 of 92	2 of 92	0 of 92
Jan Smuts	0 of 92	0 of 92	0 of 92
JP Marais	0 of 92	0 of 92	0 of 92
Welgedacht	0 of 92	0 of 92	8 of 92
Carl Grundlingh	0 of 92	0 of 92	0 of 92
Heidelberg	0 of 92	0 of 92	0 of 92
Herbert Bickley	15 of 92	15 of 92	0 of 92
Ratanda	0 of 92	0 of 92	0 of 92
Tsakane	0 of 92	0 of 92	0 of 92
Dekema	0 of 92	0 of 92	0 of 92
Rondebult	0 of 92	0 of 92	0 of 92
Vlakplaats	0 of 92	0 of 92	12 of 92

	Chlorine gas Shortages days	**Disinfection by chlorine tablets days**	**Ferric Shortages days**
Waterval	0 of 92	92 of 92	0 of 92

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. Furthermore, the current arrangements for the Maintenance team to report to the Operations Executive has resulted in more coordinated efforts to address critical equipment failures. The average critical equipment failures between Q1 2025-2026 and Q4 2024-2025 have decreased by about 4.06%.

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. A total of 10 preventative maintenance job cards were loaded and are currently in progress, scheduled for completion in Q2 FY 2025/2026. Of these, 2 purchase orders have been issued, while 5 are still awaiting PO numbers 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. A total of 10 preventative maintenance job cards were loaded and are currently in progress, scheduled for completion in Q2 FY 2025/2026.

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.

4. Chemical Shortages

The chemical tender was awarded during Q4 period, and these lead to some delays as the appointment of the new service provider was being concluded and onboarded. The alternative disinfectant (chlorine tablets) was used during the period when there was no chlorine gas. The current bid will lapse in about 34 months period, this challenge would no longer be experienced. The tender for supply, delivery and offloading of ferric was advertised on the 3rd October 2025, as the current contract will elapse in March 2026 The shortage of chlorine was mainly due to annual planned shutdown, which NCP conducted yearly during the first two month of the quoter, i.e. July, and August.

KPI 5 – 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).

Q1 Target

N/A

Q1 Actual

N/A

Comment:

N/A

Reason for variance

N/A

Remedial action

N/A

KPI 6 – 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

Q1 Target

15%

Q1 Actual

15.03%

Comments

Target was achieved with a positive variance of 0.03%

Reasons for variance

Effective project management approach and improvement in project planning.

Remedial action:

None

KPI – 7 Department SDBIP

Percentage of procurement spend allocated to SMME's

Method of measure

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

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

Evidence

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

Q1 Target

60%

Q1 Actual

48%

Comments

Variance of –12%. Target was not achieved.

Reason for variance.

The target of 60% was not met for Quarter 1 due to the following contributing factors:

1. 115 Electrical Solutions' BEE status has increased from a QSE level to a Generic level which highlights that SMME companies' financial status has improved which highlights growth in the company.

2. Purchase Orders were issued to SMME companies during Quarter 1; however, payments will only be concluded during Q2 once the services were completed to the satisfaction of ERWAT.

Remedial action

The bid documents provide for points for EME or QSE bidders with 51% or higher ownership, that enables qualifying bidders to score the highest points .

KPI 8 – 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).

Q1 Target

N/A

Q1 Actual

N/A

Comment:

N/A

Reason for variance

N/A

Remedial action

N/A

KPI 9 – Departmental SDBIP

Green Drop Score

Method of measure:

The latest available Green Drop assessment results. A Green Drop certification is a result obtained through an audit conducted by the Department of Water and Sanitation on the entire business of the municipal wastewater services (entire
value chain)

The formula for the indicator is number of Green drop certification(s) achieved by the municipality through a Green Drop Assessment

Evidence

The Green Drop results as published by the National Department of Water and Sanitation

Q1 Target

N/A

Q1 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 10 – 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.

Q1 Target

2%

Q1 Actual

69%

Comment:

Target achieved.

Reasons for variance

The bid documents provide for points for EME or QSE bidders with 51% or higher ownership who reside within the CoE area.

Remedial actions

None

KPI 11 – Departmental SDBIP

Total Operating Expenditure as a percentage of Total Operating Expenditure Budget

Method of measure:

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

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

Evidence

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

Q1 Target

20%

Q1 Actual

23.17%

Comment:

Target achieved.

Reasons for variance

A positive variance of 3.7% was achieved primarily due to improved expenditure performance as well as closer budget monitoring.

Remedial actions:

None as target was achieved.

KPI 12 – Departmental SDBIP

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

Method of measure:

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

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

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

Evidence

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

Q1 Target

N/A

Q1 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 13 – 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.

Q1 Target

N/A

Q1 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions

N/A

KPI 14 – 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.

Q1 Target

10%

Q1 Actual

0%

Comment:

Target achieved.

Reasons for variance

No bids were cancelled during Quarter 1.

Remedial actions:

None

3.1 City-Wide/Institutional SDBIP 2025/26

Refer to the City-wide SDBIP 2025/26

Table1: City-Wide Indicators

NB: Please note that reasons for variance must be provided for both overachievement and under achievements

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
METRO TRADING SERVICES CLUSTER																				
Entity	**Outcome**	**Performance Indicator (Outcome)**	**Performance Indicator**	**Portfolio of Evidence**	**Baseline 2024/2025 (quarter 3)**	**Annual Target (2025/26)**	**Target for 2025/2026 SDBIP per Quarter**		**Variation**	**Actual Output Rating**	**Progress on Targets**	**Reason(s) for Variation**	**Remedial Action**	**Resources Allocated for 2025/2026 SDBIP per Quarter**		**CAPEX Project Details**			**OPEX Project/Line-Item Details**		
							Planned Target Quarter 1	**Actual Output Quarter 1**						**Planned Budget Quarter 1**	**Actual Expenditure Quarter**	**CAPEX vote number**	**CAPEX Project ID**	**CAPEX Project Description**	**OPEX Vote Number**	**OPEX Project Description**	**OPEX Line item description**
GDS Thematic Area: Re-Urbanise: To achieve urban integration.																				
Strategic Objective 1: To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance																				
East Rand Water Care Association (ERWAT	WS4. Improved quality of water (Inc. Wastewater)		WS4.31 Percentage of wastewater treatment capacity unused	Dated and signed report indicating actual flow received and treated per WCW and totalized 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) .	-42%	-50%	-50%	-48%	2	Performance expectations were exceeded	Target achieved	There was not a significant increase in actual flows, within the constrained WCW.	Even though the target was achieved the intention is to eliminate completely the negative unused capacity and have at least 20% unused capacity. More financial resources are required to eliminate any negative unused capacity and create some spare capacity. The capacity upgrade or extension is subject to the implementation of the 50-year regionalisation master plan and	CAPEX		73126460020TCXBAZZER 73146460020TCXBAZZER 73436456020TCXBCZZER 73526449420TCXBHZZER 73536449420TCXBHZZER 73546449420TCXBHZZER 73616449420TCXBHZZER	-	P-CNIN FURN & OFF EQUIP P-CNIN FURN & OFF EQUIP P-CNIN MACHINERY & EQUIP P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS	-	-	-

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

METRO TRADING SERVICES CLUSTER

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025 (quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 1	Actual Output Quarter 1						Planned Budget Quarter 1	Actual Expenditure Quarter	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
													the availability of funds for the plan.								
East Rand Water Care Company (ERWAT)	FM7. Improved revenue and debtors' management	FM7.33 Percentage of net operating surplus margin	FM7.33 Net Surplus /Deficit Margin for Wastewater	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	NEW KPI	5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	Various votes: 1414 votes	N/A	OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE: WASTE WATER TREATMENT: EARTHWORKS
East Rand Water Care Company (ERWAT)	Improved Quality of water (including wastewater)		ERW1.1 Total revenue generated from external business	Invoices coupled with general ledger with a balance that agree to the amount reported	R39 837 478,83	R37,752,000	R7,900,000	R9 906 076	R2 006 076	Performance achieved	Target achieved	Revenue target was achieved due to continued maintenance of the current projects and additional revenue generated from ad-hoc projects	None	OPEX		7312138090 0FAZZZZZER 7325114447 0FAZZZZZER 7348142330 0FAZZZZZER 7348132301 0FAZZZZZER 7343142330 0FAZZZZZER	ZZZ ZZZ ZZZ ZZZ ZZZ	DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS			
East Rand Water Care Company (ERWAT)	Improved Quality of water (including wastewater)		ERW1.3 Percentage compliance with wastewater treatment works license conditions and/or exemptions standards	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	81%	75%	75%	82%	7%	Performance expectations were exceeded	Target Achieved	A positive variance was due to improved critical equipment availability , lower raw inflow sewage strength, which aided the treatment process	Even though target was met the entity will continue improve critical equipment maintenance.	R224 098 130	R147 563 926				Various votes: 1414 votes		OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENC

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
METRO TRADING SERVICES CLUSTER																					
Entity	**Outcome**	**Performance Indicator (Outcome)**	**Performance Indicator**	**Portfolio of Evidence**	**Baseline 2024/2025 (quarter 3)**	**Annual Target (2025/26)**	**Target for 2025/2026 SDBIP per Quarter**		**Variation**	**Actual Output Rating**	**Progress on Targets**	**Reason(s) for Variation**	**Remedial Action**	**Resources Allocated for 2025/2026 SDBIP per Quarter**		**CAPEX Project Details**			**OPEX Project/Line-Item Details**		
							Planned Target Quarter 1	**Actual Output Quarter 1**						**Planned Budget Quarter 1**	**Actual Expenditure Quarter**	**CAPEX vote number**	**CAPEX Project ID**	**CAPEX Project Description**	**OPEX Vote Number**	**OPEX Project Description**	**OPEX Line item description**
				ERWAT system (total of 19 WCW																	

3.2 Entity's SDBIP Score card with Key Performance Areas and Indicators 2025/26

Table 2: Departmental Entity's SDBIP

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 1	Actual Output Quarter 1						Planned Budget Quarter 1	Actual Expenditure Quarter 1	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
IDP Strategic Objective 2: To build a clean, capable and modernized local state																					
Ekurhuleni Water Care Company (ERWAT)																					
	To build a clean, Capable and Modernized Local State		ERW1.2 Audit Opinion	Dated and signed Audit report from AGSA	Unqualified Audit Opinion	Unqualified Audit Opinion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Improved Quality of Water including Wastewater		FM1.11 Total Capital expenditure as a percentage of total capital budget	Dated and signed Finance year to date expenditure report	99.56%	95%	15%	15.03%	0.03%	Performance expectations were met	Target achieved	Effective project management approach and improvement in project planning	None	R 44 249 341,80	R44 339 864,14	73126460020TCXBAZZER	XBH	P-CNIN FURN & OFF EQUIP	-	-	-
	Improved Quality of Water including Wastewater		4.M Percentage of procurement spent allocated to SMME's	Dated and signed Letter of appointment or subcontract with support (contract) amount Award AND Listing (Register) of SMME supported with support amount	91.4%	60%	60%	48%	-12%	Performance expectations were not met	Target not achieved	One bidders financial position increased from QSE to Generic status. POs issued to SMME companies during Q1 are due for payment in Q2	Bidders are required to have 51% or more ownership as an EME/QSE to score points.	OPEX /CAPEX	R83472184	N/A	N/A	Various	N/A	N/A	Various
	Improved Quality of Water including Wastewater		GG3.11 Number of Repeat Audit Findings	AGSA signed management letter	8 repeat audit findings noted in the AGSA signed management letter	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Improved quality of water including wastewater		ERW1.5 Green Drop score	The Green Drop results as published by the National Department of Water and Sanitation	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	Various votes	OPERATIONAL: MA INTENANCE	N/A
	LED1. Growing inclusive local economies		LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically residing within the	Signed Expenditure report on municipal operating expenditure spent on contracted services	8%	8%	2%	69%	67%	Performance expectations were exceeded	Target achieved	The bid documents provide for points for EME or QSE bidders with 51% or higher ownership who reside within the CoE area.	None	OPEX	R99281085	N/A	N/A	N/A	Various votes	Various services/goods	Various

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 1	Actual Output Quarter 1						Planned Budget Quarter 1	Actual Expenditure Quarter 1	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
			municipal area																		
	FM1. Enhanced municipal budgeting and budget implementation	FM1.1 Percentage of expenditure against total budget	FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	Signed Excel spreadsheet as extracted from Budget statements for the period	New KPI	95%	20%	23.17%	3.17%	Performance expectations were exceeded	Target achieved	A positive variance of 3.7% was achieved primarily due to improved expenditure performance as well as closer budget monitoring.	None	OPEX	OPEX	-	-	-	Various votes: 1414 Votes	OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE: WASTEWATER TREATMENT: EARTHWORKS	
	Financial Management	FM4.11	FM4.11 Irregular, Fruitless and Wasteful, Unauthorized Expenditure as a percentage of Total Operating Expenditure	The Audited Annual Financial Statements for the previous financial year as finalized in January of the following financial period for the previous financial period,		0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	FM5. Improved asset management	FM5.3 Percentage change of repairs and maintenance of existing infrastructure	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property	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.	4%	8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	Various vote: includes Employee costs , Repairs and maintenance	N/A	OPERATIONAL:MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE:
	FM6. Improved supply chain management		FM6.13 Percentage of tender cancellations	Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that were recorded, advertised and closed.	New KPI	10%	10%	0%	-10%	Performance expectations were exceeded	Target achieved	No bids were cancelled during Q1	None	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A

3.3 Reflection on operations/ day-to-day activities (Analytical Narrative Account)

NB: Reflect on the day to day activities that may not be in the Departmental Scorecard but constitute a key mandate of the department. Some of the day to day activities may be in the DH: Scorecards. This may also include the **Mayoral Lekgotla Action Plan, State of the City Pronouncements etc.**

Quarterly Flows

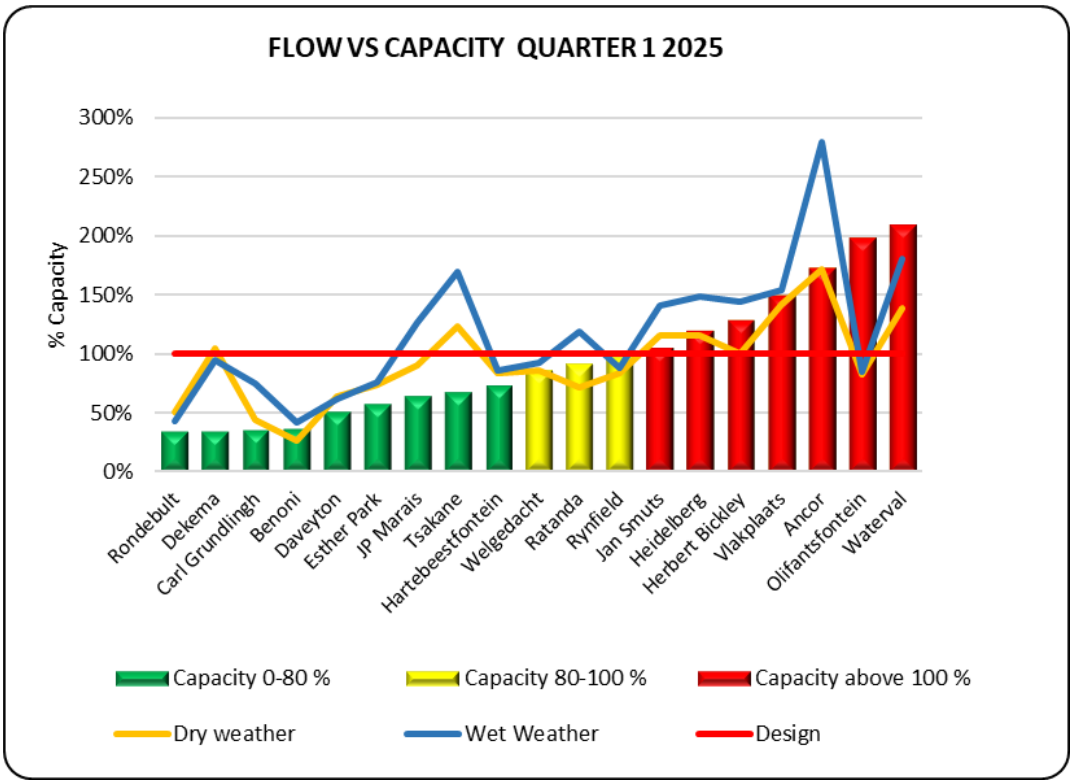

Figure 1: Q1 Flow Records per WCW: Flow vs Design Capacity

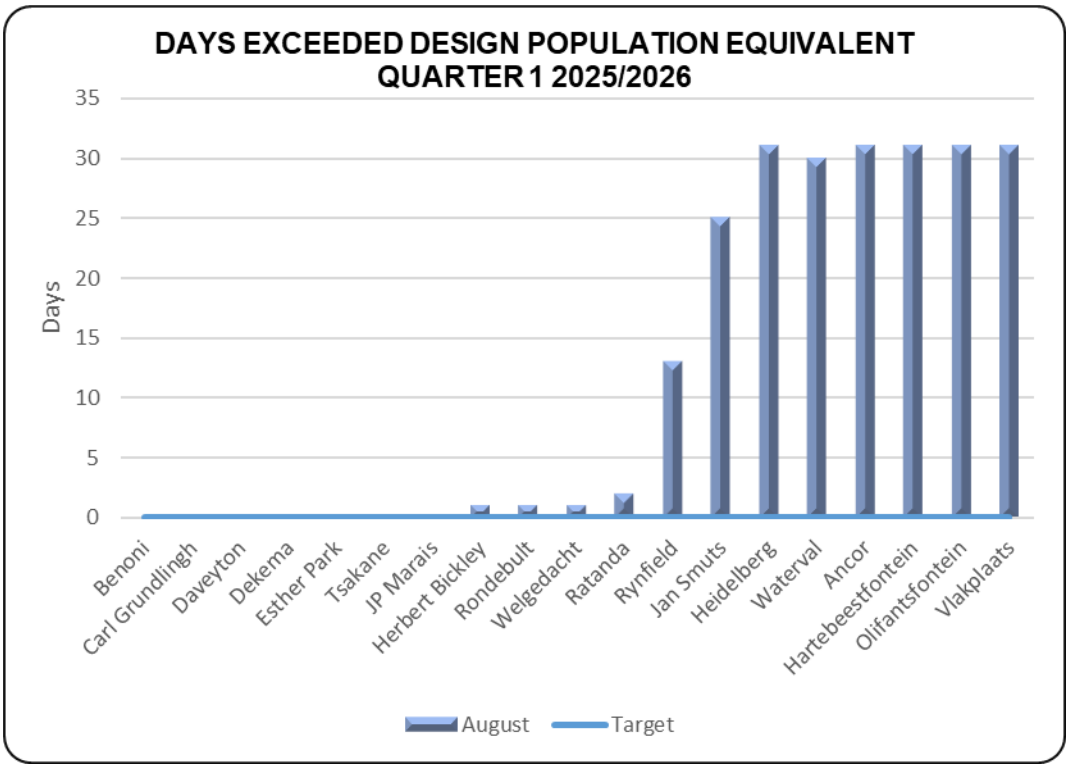

Figure 2: Q1 days Design Capacity was exceed

Flow and Rainfall

	Design Hydraulic Capacity (Ml/d)	Quarter 1 2025/2026	Actual Rainfall Quarter 1 2025/2026
Ancor	15.00	25.82	40.00
Benoni	7.50	2.76	33.80
Carl Grundlingh	5.20	1.87	33.00
Daveyton	19.00	9.67	61.00
Dekema	31.00	10.73	33.00
Esther Park	1.40	0.81	0.00
Hartebeestfontein	63.00	45.96	29.00
Heidelberg	5.40	6.46	22.00
Herbert Bickley	15.10	19.30	51.90
Jan Smuts	6.00	6.27	57.50
JP Marais	15.00	9.63	65.00
Olifantsfontein	65.00	128.14	12.00
Ratanda	4.70	4.30	47.00
Rondebult	20.00	6.82	29.00
Rynfield	9.80	9.51	44.50
Tsakane	20.00	13.45	16.00
Vlakplaats	55.00	81.84	30.60
Waterval	170.00	354.72	10.00
Welgedacht	95.00	82.25	38.00
Total	623.10	820.32	653.30

A total of 75 469.22 Ml was treated in Quarter 1 2025-2026, at an average of 820.32 Ml/day, utilising 131.65% of the available treatment capacity, as compared with Q4 2024-2025 93 127.86 Ml was treated in Quarter 4, at an average of 1023.38 Ml/day, utilising 164.24% of the available treatment capacity of the available capacity.

As can be noted in the above graph, during Q1 seven (7) out of nineteen (19) WCW were operating above their hydraulic design capacity, three (3) operating between 80% and 100% and nine (9) below their hydraulic design capacity.
In Q1 Waterval operating at 209%, Olifantsfontein operated at 197%, Ancor operated at 172%, Vlakplaats operated at 149%, Herbert Bickley operated at 128%, Heidelberg operated at 120% and Jan Smuts operated at 104% of their design capacity.
Until the overloaded WCW are upgraded/extended, serious challenges remain to achieve Green Drop for all the 19 plants and to support the CoE in meeting the Growth Development Strategy (GDS 2055) and the development of the Aerotropolis. Planning for the upgrading of the 5 regional works (Waterval, Anchor, Welgedacht, Olifantsfontein and Vlakplaats) has however commenced.

A total of 75 469.22 Ml was treated in Quarter 1 2025-2026, at an average of 820.32 Ml/day

Organic Load

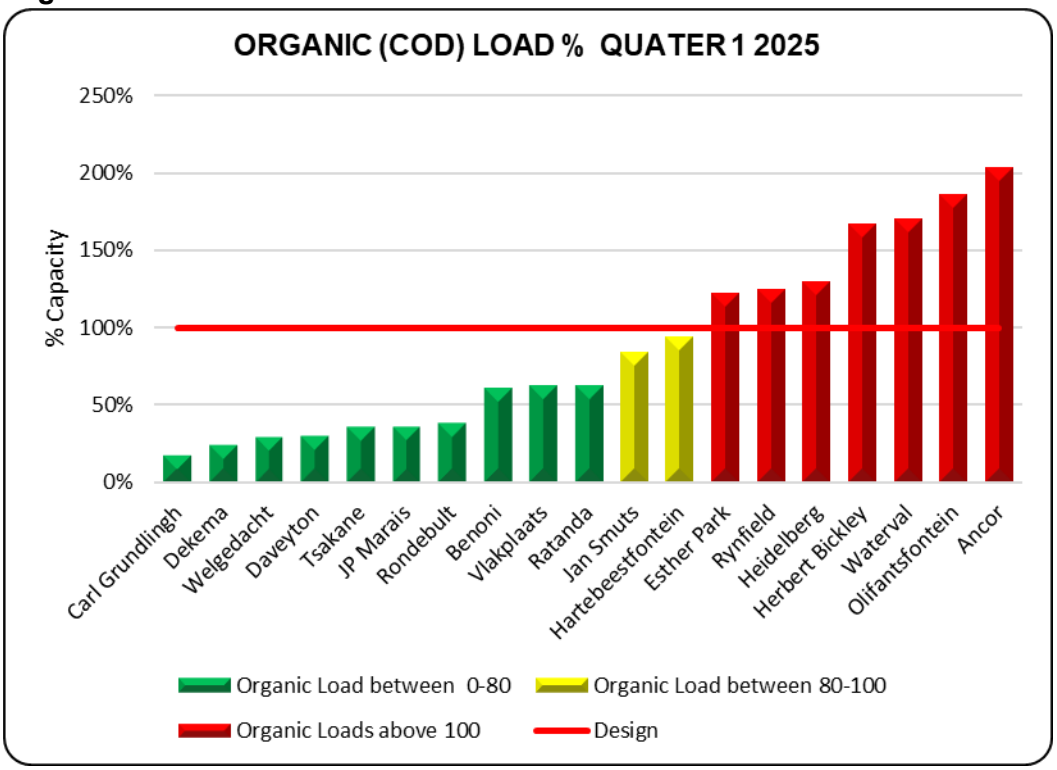

Figure 2: Q1 Organic Loads per WCW

As can be noted, 7 (seven) WCW operated above 100% organic load, 2 (two) operated between 80 and 100% of the organic load and 10 (ten) below their design capacity during Q1 2025-2026 as compared to 7 (seven) WCW operated above 100% 4 (four) operated between 80 and 100% of the organic load and 8 (eight) below their design capacity design capacity during Q4 2024-20

3.4. Service Delivery Highlights and Challenges

3.4.1 Plant Specific Challenges

Quarterly Flows

Figure 1: Q1 Flow Records per WCW: Flow vs Design Capacity

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Dekema	31.00	10.73	33.00
Esther Park	1.40	0.81	0.00
Hartebeestfontein	63.00	45.96	29.00
Heidelberg	5.40	6.46	22.00
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JP Marais	15.00	9.63	65.00
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Ratanda	4.70	4.30	47.00
Rondebult	20.00	6.82	29.00
Rynfield	9.80	9.51	44.50
Tsakane	20.00	13.45	16.00
Vlakplaats	55.00	81.84	30.60
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A total of 75 469.22 Ml was treated in Quarter 1 2025-2026, at an average of 820.32 Ml/day

Organic Load

Figure 2: Q1 Organic Loads per WCW

As can be noted, 7 (seven) WCW operated above 100% organic load, 2 (two) operated between 80 and 100% of the organic load and 10 (ten) below their design capacity during Q1 2025-2026 as compared to 7 (seven) WCW operated above 100% 4 (four) operated between 80 and 100% of the organic load and 8 (eight) below their design capacity design capacity during Q4 2024-2025

3.4.1 Plant Specific Challenges

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Benoni	Benoni complied with overall WUL effluent standards with compliance of 98 Physical = 99% Chemical = 96% Micro = 100% The average compliance target of 90% was achieved with the overall compliance of 98%	Plant operated at 37% of re-graded hydraulic capacity in Q1	Plant operated at 60% of re-graded organic capacity in Q1 .	There were abnormal flow fluctuations in Q1 , due to Mckenzie Park with no power and APEX pumpstation broken rising main and less flow received at the plant due to blockages in the network.	There was 16 high strength of COD from industrial pollution in Q1	8 Level 3 Equipment failure occurred in Q1	There were a total of 2 power failures. 2 unplanned power failures for a duration of 107 hours Q1	Open digesters walls are cracking,	None	None	Dried sludge is stockpiled at the plant.	Unlined sludge paddies and maturation ponds could cause possible ground water pollution in Q1	None	None	Sludge classification Samples were taken to the Laboratory on the 25/08/2025 for analysis of the new sludge classification. Awaiting results . Screenings and grits	Road is accessible	Portable water is available .

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
															that are generated at the plant, are collected by CoE.		
Esther Park	Esther Park didn't complywith overall WUL effluent standards with compliance of 63 Physical = 70% Chemical = 40% Micro = 78% The average compliance target of 84%	Plant operated at 58% of hydraulic capacity.in Q1	Plant operated at 123% of organic capacity in Q1	The plant experienced no abnormal fluctuations inflows in July-Sept 2025 (Q1) with an average inflow of 0.81Ml/d (58%).	Plant received industrial high strength effluent 35 times out of 92 days during July-Sept 2025(Q1).	Two Alert Level 3 Equipment failures occurred in Q 1 (Compactor, Screw Conveyor	There were 2 power outages July - Sept 2025 for duration of 32 hours.	Reactor walls are leaking.	Not applicable.	None	Not applicable.	Not applicable	Not applicable	Not applicable	Screenings and grits collected by service provider.	Access road repaired. Road inside plant must be compacted.	Drop in water pressure occasionally that affects chlorine dosing.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	was not Achieved with the overall compliance of 63%																
Hartebeestfontein	Hartebeestfontein didn't complywith overall WUL effluent standards with compliance of 38 Physical = 58% Chemical = 37% Micro = 21% The average compliance target of 50% was not Achieved	Plant operated at 73% below hydraulic design capacity in Q1 but 117% above available cap	Plant operated at 94%% above organic design capacity in Q1	The plant did not experienced fluctuations inflows in July, August, September 2025 (Q1) due to limited rainfall	Plant received industrial high strength effluent 31 times out of 91 days) during July, August, September 2025 (Q1)	10 Alert Level 3 Equipment failures occurred in Q1.	There was 2 unplanned power outages in). July, August, September 2025 (Q1)	Aging infrastructure: chlorine, thickeners, clarifier 2-4 bridge and siphons.	Digester 1, 4,6 and 9 sludge recirculation nozzles blocked. Digester 1-9 feeding lined was blocked. Constant block	There was no veld fires experienced in July, August, September 2025 (Q1)	385245 kg of dry sludge was irrigated to the 200 hectares farm in Q1	Borehole two has high concentration of Nitrates.	Sinkhole next to the fence towards FST 5 & 6 and around the Farm.	License amendment with relaxation on Electrical conductivity, Ammonia, E.coli.	Sludge classification is B2b, not suitable for the intended purpose; this requires further engagement with the farmer.	The grading was done around the fence in August 2025.	Drop in water pressure occasionally that affects chlorine dosing due to 5 portable water leak around the plant and farm.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	with the overall compliance of 38%	acity							age of digester feed lines (1-9)								
Olifantsfontein	Olifantsfontein complied with overall WUL effluent standards with compliance of 64 Physical = 54% Chemical = 40% Micro = 98% The average compliance target of 60% was achieved with the overall	Plant operated at a hydraulic capacity of 197% in Q1 25-26	Plant operated at 186% of organic capacity for Q1 25/26	There were abnormal fluctuations of inflows in Q1 25-26 With ranges of 117.19 - 136.78 Ml/d in Jul 2025, 123.64-134.89Ml/d in Aug 2025, and 113.44 – 135.23 Ml/d in	Plant received industrial high strength effluent (very high Electrical Conductivity above 100 mS/m) with 48 days out of 91 days In Q1.	8 Level 3 Equipment failures occurred in Q1.	There were 3 power outages for a total of 18 hours in Q1	Module 3 Anaerobic digesters and module 1, 2 and 3 reactors.	1 of 6 digesters.	There was 1 veld fire incident reported in Q1 (Ref: 2025/09/26/48)	Total sludge of 550 914 kg of sludge was produced in Q1.	Unlined emergency dams contaminating borehole no.2&3. Borehole 1 runs dry during dry seasons	2x Sinkholes behind and in front of the old laboratory which occurred in Dec 2019 and 1x behind return pump station which occurred in Marc	Olifantsfontein WUL is stringent on Ammonia of < 2mg/l, SS of 15 mg/l and EC of < 80 mS/m.	Sludge is classified into three streams: (1). Dewatering unit(B3a), the sludge not suitable for cultivating crops such as fruits trees (2). Drying beds (A3a),	Road to upstream sampling point need to be graded and there is high erosion on the banks. To be reported to the CoE..	Yes, there is a water leak that is reoccurring and resulting in water loss

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of 64%			Sep 2025.	Plant also experiences fine sand ingress, and fats pollution that solidifies in sedimentation tanks as scum.								h 2024. All sinkholes still not rehabilitated		No restrictions and requirements apply 3) Grit and screenings are collected by service provider from the water works to the registered landfill.		
Rynfield	Rynfield complied with overall WUL	Plant operated	Plant operated at 125% of re-graded organic capacity for Q1	There were fluctuations of the flows	None	0 Level 3 Equipment	There were 3 power outages in Q1	Pavement, Digesters,	3 of 4 digesters are	There was no veld fire inciden	Dried sludge is stockpiled at	Unlined sludge paddies, contact tank and	None	None	CoE collects screenings	None	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	effluent standards with compliance of 77 Physical = 93% Chemical = 60% Micro = 78% The average compliance target of 65% was achieved with the overall compliance of 77%	at 97% of re-graded hydraulic capacity in Q1, which was lower than design capacity.		received during the Q1 due to. N12 pumpstation operation control.		failures occurred in Q1	with a duration of 19 hrs.	Reactor tank and Bio-feeder structures are cracked	blocked due to defective desludging valves	t in the plant in Q1.	the plant	maturation ponds could cause possible ground water pollution			and grits from the inlet works. Dried sludge is stockpiled at the plant		
Ancor	Ancor complied with overall WUL effluent standards with	Plant operated at 172 % of its	Plant operated at 204% of organic capacity in Q1.	Ancor did receive storm water ingress during	Plant received high COD industrial effluen	12 Critical equipment failures	There was no load-shedding incident during Q1. And 2 power	Bio filter flow division boxes partially	1 digester blocked with sand and 2	No Veld fires occurred during the week	Stockpile area not lined. Stockpiles on plant is a risk	Unlined sludge paddies pollute could cause undergro	Area around humus tanks and final	N/A	CoE/service provider removes solid waste	Access road to the plant is in bad condi	No Portable water shortage was experi

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of 74 Physical = 72% Chemical = 53% Micro = 96% The average compliance target of 50% was achieved with the overall compliance of 74%	hydraulic capacity in Q1		week Q1.	t in 8 out of 92 days.		outages of 11 hrs.	collapsed, humus tanks/ PST's- and digesters structures are crumbling /cracked. Ancor also do not have a chlorine contact tank for disinfection	are partially in operation. This causes the plant to run out of sludge handling capacity, which prevent proper desludging and resulting in non-compliances.	at sludge lands	due to veld fires and environmental pollution	und water	effluent channel are dolomitic according to Geotech study performed.		(screenings and grit).	tion with lots of potholes.	enced during Rand water planned maintenance The plant was equipped with a JoJo tank, which was filled with water in order to assist with water shortages.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Daveyton	Daveyton complied with overall WUL effluent standards with compliance of 100 Physical = 100% Chemical = 100% Micro = 99% The average compliance target of 90% was achieved with the overall compliance of 100%	Plant operated at 51% of its hydraulic capacity in Q1.	Sufficient capacity. Plant operated at 29% of its organic capacity in Q1.	Numerous sewer blockages in the CoE network, pump failures at Etwatwa ext.18 pumpstation and potable water supply interruption to Etwatwa due to pipe bursts.	N/A. Domestic only.	11 Level 3 Equipment failures occurred in Q1 which was the Generator at the BNR, WAS pumps, BNR fine screen, and conveyors.	12 power failures totaling 48 hours in Q1.	CCT and Inlet works channel sometimes leaking. Do not have direct impact on the operation of the plant at the moment	N/A	No veld fires in Q1.	Sludge lagoons are unlined Space for solar drying is in-sufficient	Unlined sludge lagoons pollute the ground water.	N/A	N/A	Screenings are collected by contractor for proper disposal.	N/A	N/A
Jan Smuts	Jan Smuts complied	Plant oper	Plant operated at 84% of its		Plant received			Humus Tanks	None	0 fires occurred at	Dried sludge is	Unlined sludge stockpile	No	No	Screenings and	Fair	Portable water

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	with overall WUL effluent standards with compliance of 82 Physical = 82% Chemical = 64% Micro = 99% The average compliance target of 70% was achieved with the overall compliance of 82%	ated at 104% of its hydraulic capacity in Q1	organic capacity.	57 days of high incoming flows in Q1	industrial high strength effluent on 28 of the 91 days in Q1	0 critical equipment failures during Q1.	23 Hours of power failure, with 0 hours of loadshedding and 23 hours of unplanned power failure)	scum boards, digester number 2's wall, drying beds' walls, the bio-filters' feed flow division box/tower and old valves that are difficult to open or close.		Jan Smuts during Q1	stockpiled on site.	area can cause groundwater pollution. BH 2 and 3 have high NOx of above 10 mg/l. These boreholes are situated close to the Jan Smuts Dam a high water table with water level of 0.67 m and 1.62 m respectively.			grit are removed by an approved contractor to an approved landfill site. This practice does comply with WUL conditions.		supply received from Rand Water. There were no interruptions experienced at the plant. The plant is also equipped with a JoJo tank, which has been filled to ensur

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
																	e readiness for any potential water shortages. There are however portable water leaks around the plant that are currently being repaired.
JP Marais	JP Marais complied with overall	Sufficient capacit	Sufficient capacity. Plant operated at 36%	None	No industrial effluent	6 Alert level 3 equip	15 unplanned power failure	None	N/A	No veld fire incident	Sludge pumped to Welgedacht,	Some boreholes polluted. Ongoing	No dolomitic soil	N/A	CoE and contractor remov	N/A	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	WUL effluent standards with compliance of 98 Physical = 100% Chemical = 96% Micro = 97% The average compliance target of 90% was achieved with the overall compliance of 98%	y. Plant operated at 64% of hydraulic capacity	of organic capacity.		incident occurred in Q1	ment failures occurred in Q1, namely: Irrigation pump x 1, Chlorine pipes 1, BNR Generator changeover unit x 3 and Inlet works screen x1	incidents with a total of 48 hours and 0 loadshedding incidents in Q1			experienced in Q1.	where it is treated.	monitoring of boreholes.			e solid waste (screenings and grit).		
Welgedacht	Welgedacht complied with overall WUL	Plant operated at a	Sufficient capacity Plant operated at 29% organic	During Q1, Works experienced no	Welgedacht received colored	13 critical equipment failure	1 power outage planned power outages which	Module 1 electrical panel for	Digester no 2 waste line is	No veld fires occurred.	None	Unlined Dichlorination channels and	N/A	None	Screenings are removed by an	Gravel access roads are in	No potable water supply to

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	effluent standards with compliance of 93 Physical = 98% Chemical = 89% Micro = 92% The average compliance target of 81% was achieved with the overall compliance of 93%	hydraulic capacity of 87% in Q1 25-26	capacity. Under Achievement.	abnormal flow.	influent and foreign object 2 times during Q1.	s occurred in Q1 2025/26, tripping aerators after power failures, mixers at module 2 reactor Ras pump, PST waste pumps RAS screen and defective gearbox bridges for	lasted for 26 hours and 4 unplanned lasting for 32 hours due transformer failure at ESKOM substation.	aerators and digesters at module 2	blocked.			Emergency dam			approved contractor to an approved landfill site. This practice does comply with WUL conditions.	very bad condition and very slippery when wet.	the plant. Borehole water is used for hygiene. Drinking water is being transported in from other plants.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						biological clarifier 2.											
Carl Grundlingh	Carl Grundlingh complied with overall WUL effluent standards with compliance of 96 Physical = 100% Chemical = 94% Micro = 95% The average compliance target of 88% was achieved with the overall complian	Plant operated at 36% hydraulic capacity in Q1	Plant operated at 17% organic capacity in Q1	none	none	None	There was 1 unplanned power outage with a total of 8 hours for Q1	BNR structure	N/A	No veldfires reported in Q1	Land application of sludge is being used	Unlined sludge to land posing ground water pollution	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	Access road to the plant is damaged and requires an upgrade.	None

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	ce of 96%																
Heidelberg	Heidelberg didn't comply with overall WUL effluent standards with compliance of 79 Physical = 96% Chemical = 53% Micro = 89% The average compliance target of 80% was not Achieved with the overall compliance of 79%	Plant operated at 120 % of its hydraulic capacity	Plant operated at 130% of organic capacity	High incoming flows above the design of the 5.4 Ml/d	The plant received high 17 CODs and 23 high NH3s levels that are above the design in the current quarter. 3 coloured effluent was also received	Total critical equipment failure in this quarter is 4,which is made of 2 call-out of the inlet screen and the other to unblock inlet screen compactor	Heidelberg had 17 unplanned power outages with a duration of 59 hours. Loadshedding was 0 time and 0 hours and 0 planned power outages. Load reduction was 11 for 33 hours. Diesel used was 4440 L	The joint sealants of Carousel reactor concrete wall are damaged. Reactor module 1 has a cracked concrete slap	None	None	Sludge at the plant stockpiled after dewatering, and is also applied/irrigated to the lands and could potentially contaminate ground water resources	Unlined sludge paddies/lack of groundwater monitoring in the sludge paddies	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	The access road to Heidelberg works requires a new-tarred road is required urgently	Leakage on the pipeline to the inlet works due to a rusted pipeline.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						1 to unblock ferric line at module 1. And 1 to repair the radiator of plant generator.											
Herbert Bickley	Herbert Bickley complied with overall WUL effluent standards with compliance of 98 Physical = 99% Chemical = 95%	Plant operated at 128 % of its hydraulic capacity in Q1	Plant operated at 167% of organic capacity	The Plant is receiving high inflows	17 industrial pollution incidents experienced in Q1	0 Alert level 3 incidents reported in Q1 PST bridge drive fault, RAS pump	4 Incidents of power failure reported in Q1 which includes 62 hours of unplanned due cable fault	Anaerobic Digester 1-4, Biofilter stage 1 and stage 2 structures	None	0 veld fires in Q3	Bickley WCW Sludge used for irrigation of Kikuya instant grass	All nine boreholes results fluctuate showing signs of pollution.	None observed	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid	Access road is Damaged	

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	Micro = 99% The average compliance target of 80% was achieved with the overall compliance of 98%					3 fault, Mechanical fine screen fault, Surface aerator 2 fault,									waste site.		
Ratanda	Ratanda complied with overall WUL effluent standards with compliance of 98 Physical = 100% Chemical = 98% Micro = 97%	Plant operated at 91% of its hydraulic capacity	Plant operated at 62% organic capacity,	Leaking pipe feeding the WCW.	None	Generator failure,	WCW experienced 1 unplanned power outage for a duration of 2.25 hours	Drying beds drainage system and chlorine contact tanks are badly leaking structures	N/A	No veld fires occurred during Q1	Dried sludge is stockpiled on-site, potential ground water pollution	Unlined sludge ponds and leaking drying beds, potential groundwater pollution	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid	The access road to Ratanda Works is severely damaged and a new-tarred road is	No link to the Municipal Potable Water Supply, water transported from Heidelberg Work

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	The average compliance target of 85% was achieved with the overall compliance of 98%														waste site.	required urgently	s and borehole water is used for other domestic purposes
Tsakane	Tsakane complied with overall WUL effluent standards with compliance of 93 Physical = 97% Chemical = 97% Micro = 86% The average complian	Sufficient capacity. Plant operated at 67% of hydraulic capacity.	Sufficient capacity. Plant operated at 35% of organic capacity.	N/A	Plant did not receive industrial pollution. Total of 0 of 92 days	2x Level 3 Equipment failures occurred in Q1, Scum sump pump station Submersible pump and Chlori	Tsakane had 0 unplanned power failure events, 0 Planned power failure. 0 Load shedding, X19 Load Reductio	N/A	N/A	No veldfires occurred during Q1	Sludge pumped to unlined lagoons/ paddies for solar drying.	Unlined sludge lagoons and paddies. Borehole monitoring was implemented in March 2025 around sludge lagoons.	None (There's a dolomitic report that shows none at Tsakane)	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	None	Potable water leaks creates wetland next to inlet works.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	ce target of 70% was achieved with the overall compliance of 93%					ne submersible pump.	n for 95 hours. Total hrs without electricity= 95hrs										
Dekema	Dekema didn't comply with overall WUL effluent standards with compliance of 74 Physical = 78% Chemical = 58% Micro = 87% The average compliance target	Plant operated at 35% of hydraulic capacity	Incoming organic concentration was within design organic capacity. Plant operated at 24% organic capacity	The plant received an average of 10.74 ML/d for Q1 and 30 mm total rainfall measured for Q1 at the plant was 116 mm.	Plant received inflow that contained industrial effluent with high COD 1 out of 92 days, high NH3 10 of 92 days and colore	7 x Level 3 Equipment failures occurred in Q1. 1 x Inlet lights, 1 x Wash water pump, 1 X Cascade pump, 1 X Mobil	22 power outages occurred in Q1 for 105 hours in total. 1 x Unplanned power outages for 2 hours, and 21 load reduction for 103 hours.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked.	1 out of 12 Anaerobic digesters is blocked	No veld fires occurred during Q1	Sludge pumped to unlined sludge paddies for solar drying and dried sludge spread to land area to be ploughed into land	Unlined sludge paddies. Screenings and grit are disposed of to suitable landfill that is lawful according to the NEMA.	None	N/A	Screenings and grit generated at the plant are disposed to suitable landfill that is lawful according to the NEMA. A Service	The access road to Dekema WCW needs to be tarred as it gets muddy and slippery during rainy	N/A

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	of 75% was not Achieved with the overall compliance of 74%				d influent 1 out of 92 days.	e pump , 1 x Ferric chloride pump , 1 x PST Bridge 1 x Electric panel									Provider screenings and grit transport to authorised landfill site courtesy of CoE	seas on.	
Rondebult	Rondebult didn't comply with overall WUL effluent standards with compliance of 77 Physical = 77% Chemical = 71%	Plant operated at 34% of hydraulic capacity	Plant operated at 38% organic capacity	The plant received an average of 6.85 ML/d for Q1 and highest flow recorded was 27 Ml/d. Total rainfall measure dduring	Plant received high COD industrial effluent on 4 of 92 days	4 Level 3 Equipment failures occurred in Q1. 3 critical equip	10 x Outages with the total hours of 132 hours occurred during Q1.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracke	1 of 6 digesters is blocked	No veld fires occurred during Q1	Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area and ploughed into land.	Unlined sludge lagoons, Collection and transportation of screenings, grit disposed of at a registered hazardous waste	The entire area of the plant are dolomitic	N/A	Collection and transportation of waste (screening and grit) to a waste disposal site done by	The access road in and around the plant are deteriorating and will need	Potable water pipeline rusted and needs to be replaced

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	Micro = 85% The average compliance target of 90% was not Achieved with the overall compliance of 77%			Q1 at the plant was 29 mm.		ment reported during the month of July 2025. 7 x critical equipment reported during the month of August 2025. 8 x critical equipment reported during the mont		d. Biofilter walls cracked. Brick work of open channels are unstable, collapsing and cracked. The feed pipe from the primary biofilters to the secondary biofilters has collapsed. The wall			WUL noncompliant and an audit finding.	landfill sites			service providers.	attention	

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						h of August 2025		that has a feed pipeline to the PSTs has collapsed due to heavy rainfalls Anaerobic digester #4 and #5 walls have cracks. Digester #6 dome has open/ visible cracks on the									

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
								surface. Office building cracked and leaking during heavy rainfalls									
Vlakplaats	Vlakplaats complied with overall WUL effluent standards with compliance of 64 Physical = 76% Chemical = 51% Micro = 64%	Plant operated at 149 % of hydraulic capacity. Needs to be upgr	Plant operated at 62% of organic capacity	The plant received an average of 81.81 ML/d for Q1 and highest flow recorded was 108 Ml/d. Rainfall measured at the plant was 31	Plant received industrial high strength effluent on 0 of 92 days	12 Level 3 Equipment failures occurred in Q1. -Namely:1 x Theft electrical cable at main	3 Outages occur (21 hours in total) due to cable theft, planned and load reduction.	Office building, Biofilters, Digesters have some cracks.	Most digesters are full of sand and require to be emptied and cleaned. Contractor	No veld fires occurred during Q4 .	Dried sludge is stockpiled on the drying beds. Demand for instant lawn application is seasonal	Unlined Maturation Pond.	Area around bio filters at Mod A are dolomitic	N/A	Screenings and grit tender is awarded generated solid waste at the plant is disposed to landfill	Access road to DBF dosing station is slippery during rainy season	0 days water supply cut incidents were experienced during Q4.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	The average compliance target of 47% was achieved with the overall compliance of 64%	aded		mm. Fluctuation of inflow is due to inconsistent Pump stations.		supply 4 x failure of Module 1-4 Level 3 Equipment failures occurred in Q1. 6 x failure of raw sludge pumps 1x failure of Genset.			started cleaning module A and B digesters						site starting from the 1 Feb 2023		

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Waterval	Waterval complied with overall WUL effluent standards with compliance of 87 Physical = 91% Chemical = 79% Micro = 92% The average compliance target of 80% was achieved with the overall compliance of 87	Plant operated above hydraulic capacity (operated at 209% capacity)	Plant operated at 170% organic capacity.	Average flow of up to 356.47 Ml/day received due to developments and bypasses from upstream plants. Total rainfall of 16.0 mm was received in Q1	Plant operated at 169% organic capacity.	19 alert level 3 Critical equipment failures occurred in Q1 2025/2026 Mainly from 2x Pond 7 short circuiting to final effluent, 2x DBF dosin	0 Hours planned blower outage	None	None	2 veld fires at sludge land occurred during Q1	Dried sludge is stockpiled on the plant and paddies. Demand for agricultural application is seasonal.	Unlined Emergency dams and paddies.	None	N/A	Screenings and grit generated at the plant are now disposed at landfill site, this to prevent underground seepage	N/A	0 days water supply cut incidents were experienced during Q1.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						g point power failure, 1 x Blowers tripped, 4 x DAF recirculation pumps blocked, 2 x Module 1-3 screens failure ,2 x module 4 screens failure, 0 x clarifiers failure, 2 x Diges											

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
						ted sludge pumps failure, 0 x Substandard pump failure, 0 x DAF compressors failure, 2 x Sludge to land pump failure, 2 x Sludge transfer pump failure											

3.5. Project/Infrastructure Report

This section includes all major projects that will contribute to the Mega Catalytic projects. ERWAT receives new township applications timeously from CoE and provide responses about the capacity availability at various Water Care Works as and when applications are received.
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.

3.5.1 Running Projects

3.5.1.1 The appointment of service provider/s for the supply, delivery and installation of Pumps at ERWAT wastewater care works on ‘as and when required’ basis for a period of THIRTY-SIX (36 NO.) MONTHS

The project involves the procurement, supply, and delivery of Pumps for the efficient and effective operation of ERWAT Water Care Works, maintaining flow rates, pressures and mixing for effective treatment and disposal of sludge.
Replacing pumps that are inefficient or pumps that are operating outside the expected service life. The objective of the project is to enhance plant performance, efficiency and reliability to ensure compliance of wastewater works effluent to the requirements as per the water use license granted by the Regulator.

3.5.1.2 The acquisition of new vehicles for ERWAT Water Care Works (WCWs)

The project involves the procurement and delivery of Vehicles for the efficient and effective operation of ERWAT Water Care Works. The vehicle acquisition project is a component of ERWAT's broader **Capital Expenditure (CAPEX) programme** for upgrading and maintaining its 19 wastewater treatment works. The primary drivers for this type of CAPEX project stem from operational necessity and regulatory compliance.

3.5.1.3 Minor Capex Projects

These projects are often below a certain monetary threshold or involve assets with a short lifespan. Acquisition of small, low-cost assets like ICT project, Laboratory equipment, Office equipment and Feasibility studies for smaller projects. ERWAT reports on all capital expenditure, including minor projects, as part of ERWAT’s financial reporting requirements.

3.5.2 Planned Projects

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. 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.
ERWAT has prioritized four large construction projects that will increase the capacity of the Water Care Works, discussed in section below.
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 table below outlines the key milestones of progress to date.

Table 3.5.2.1 Key Milestone Progress to Date

ITEM NO	PROJECT NAME	PROJECT STAGES	IMPLEMENTATION STATUS
1	Ancor WCW Upgrade	Inception	Completed
		Preliminary Design	Ongoing
2	Vlakplaats	Inception	Ongoing
		Preliminary Design	Not Started
3	Welgedacht WCW Upgrade	Inception	Completed
		Preliminary Design	Completed
		Detail Design	Ongoing
4	Ratanda	Inception	Completed
		Preliminary Design	Completed
		Detail Design	Completed
		Construction	Ongoing
5	Waterval WCW Upgrade	Inception	Completed
		Preliminary Design	Ongoing
6	Olifantsfontein WCW Upgrade	Inception	Completed
		Preliminary Design	Ongoing

3.5.2.1 Brief Summary Report on Planned Projects (Table 3.5.2.1)

This includes the planning, budgeting, and reporting on planned capital projects, ensuring transparency and accountability. Key aspects involve aligning capital spending with the Municipal's Integrated Development Plan (IDP), securing funding, and adhering to MFMA reporting requirements.

3.5.2.1.1 Ancor Water Care Works

The Ancor WCW is situated in Springs and falls within the DD4 drainage district. Built in 1936 and upgraded on several occasions over a period of time, the works is designed to treat 15 megalitres of wastewater per day from the Springs and Kwa Thema areas. The plant is currently operating above its design capacity, which leads to poor quality of the final effluent. The new Daggafontein Megacity that is currently under construction will require a connection to the Ancor outfall.

The scope of work entails the additional 15ML/d treatment Module and restoration of the current regraded 15 ML/d back to 35ML/d design capacity

	PLANNED PROJECTS	STATUS /COMMENTS	COMMISSIONING DATE
1	Upgrade to 35 Mℓ/d. Additional 15 Mℓ/d.	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	The project is currently on Stage 2 (Preliminary Design)

3.5.2.1.2 Vlakplaats Water Care Works

Vlakplaats water care works is situated in Vosloorus and falls within the DD6 drainage district. The original design capacity of the plant was 83 Mℓ/d. The plant capacity has been downgraded to 55 Mℓ/d. The plant is currently operating above its design capacity, which leads to poor quality of the final effluent. Vlakplaats flow distribution project is currently under construction phase to augment and add a peak flow balancing capacity into the plant by converting the old existing ponds into a balancing tank.
Plans are currently underway to upgrade and restore its original capacity of 83 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that the plant meet the required standards as stipulated by the department of water and sanitation (DWS).

PLANNED PROJECTS		STATUS /COMMENTS	COMMISSIONING DATE
1	Additional 28 Mℓ/d Plant Upgrade	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	Inception stage- Completed

3.5.2.1.3 Welgedacht WCW

The Welgedacht Water Care Works is situated in Springs and falls within the DD5 drainage district. The original design capacity of the plant was 85 Mℓ/d. Module 2 have been commissioned and is currently undergoing defects liability period. The plant capacity has been upgraded to 95 Mℓ/d.
Plans are currently underway to upgrade the plant to 155 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

	PLANNED PROJECTS	STATUS /COMMENTS	COMMISSIONING DATE
1	Additional 60 Mℓ/d Plant Upgrade	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	The project is currently on Stage 3 (Detail Design)

3.5.2.1.4 Ratanda Water Care Works

The Ratanda WCW is situated south-west of Ratanda town and falls within the DD5 district. Built in 1998, it is designed to treat 4.7 Mℓ/d of raw sewage from Ratanda. Conventional activated sludge is employed as the main treatment process.

The scope of work entails the refurbishment of the existing works and upgrade by extension of the works with an additional capacity of 5 ML/d, by provision of a new module.

	PLANNED PROJECTS	STATUS /COMMENTS	COMMISSIONING DATE
1	Additional 5 Mℓ/d Plant Upgrade	The capacity treatment plant upgrade is planned in relation to the 50-year master plan.	The refurbishment of the existing works is 98% complete. The construction upgrade project is currently at 80%.

3.5.2.1.5 Waterval Water Care Works

The Waterval water care works is the largest works operated by ERWAT and is situated in the DD6 area at the Kliprivier. The original design capacity of the Waterval wastewater care works was155 Mℓ/d. The plant capacity has been upgraded to 170 Mℓ/d.
Plans are currently underway to upgrade the plant to 420 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

	PLANNED PROJECTS	STATUS /COMMENTS	COMMISSIONING DATE
1	Additional 250 Mℓ/d Plant Upgrade	The capacity treatment plant upgrade is planned in relation to the 50-year master plan	The project is currently on Stage 2 (Preliminary Design)

3.5.2.1.6 Olifantsfontein Water Care Works

The Olifantsfontein works, situated in the northern Drainage District (DD3), serves the majority of the communities and industries in Tembisa, Olifantsfontein and Ivory Park, as well as sections of Kempton Park and Midrand. The works is designed to treat 15 105 Mℓ/d.
Plans are currently underway to upgrade the plant with an additional 50 Mℓ/d in order to enhance the treatment capacity. These upgrades will ensure that future developments flows are accommodated thereby meeting the required standards as stipulated by the department of water and sanitation (DWS).

	PLANNED PROJECTS	STATUS /COMMENTS	COMMISSIONING DATE
1	Additional 50 Mℓ/d Plant Upgrade	The capacity treatment plant upgrade is planned in relation to the 50-year master plan	The project is currently on Stage 2 (Preliminary Design)

3.5.3 Conclusion

ERWAT is striving and working hard towards addressing all Mega Catalytic projects to accommodate all new developments within the City of Ekurhuleni. As discussed above, the mentioned Water Care Works need to

be upgraded urgently to cater for the current backlog in capacity and to make provision for future housing and industrial developments.

Table 5: Operational expenditure

Description	Revised Budget	Budget Q1	Actual Q1	YTD Budget	YTD Actual	Quarterly Variance	YTD Variance
	R	R	R	R	R	%	%
EXPENDITURE BY TYPE							
Employee Related Costs - Salaries & Wages	584 132 502	146 033 126	118 794 280	146 033 126	118 794 280	-18,65%	-18,65%
Remuneration of Directors	3 245 394	811 349	335 244	811 349	335 244	-58,68%	-58,68%
Bad Debts (Provision for Bad Debts)	1 829 993	457 498	30 952 171	457 498	30 952 171	6665,53%	6665,53%
Impairment (gain)/loss	10 500 000	2 625 000	-	2 625 000	-	-100,00%	-100,00%
Depreciation	110 587 740	27 646 935	29 780 005	27 646 935	29 780 005	7,72%	7,72%
Repairs and Maintenance	208 932 431	52 233 108	65 600 944	52 233 108	65 600 944	25,59%	25,59%
Interest Expense	35 624 424	8 906 106	4 750 658	8 906 106	4 750 658	-46,66%	-46,66%
Bulk purchases	519 296 249	129 824 062	114 118 896	129 824 062	114 118 896	-12,10%	-12,10%
General Expenses - Other	237 873 219	59 468 305	32 305 228	59 468 305	32 305 228	-45,68%	-45,68%
TOTAL OPERATING EXPENDITURE	**1 712 021 952**	**428 005 488**	**396 637 426**	**428 005 488**	**396 637 426**	-7,33%	-7,33%

Analysis of expenditure performance

The total overall underspending in the 1st Quarter can be attributed to the following reasons:

1. Employee related costs: Major contributing factor to manpower under expenditure:

    - Budget provision of 7.5% for annual, however bargaining council increase was approved at 5%.
    - Leave pay provision, accounted for as per GRAP standards, contributed to 20% of the total under-expenditure for Q1.
    - Recruitment in progress for a total of 91 budgeted vacancies, to be filled by the end of Q3.

2. Director's remuneration: Under expenditure as the budget provided for 8 Directors, however only four vacancies were filled.

3. Provision for bad debts, the significant variance between the actual and the budgeted amount is mainly attributable to the Johannesburg Water Service Charges debt that has been outstanding for more than 90 days.

4. Impairment (gain)/loss: The impairment review of assets is performed at year-end therefore this expenditure will only be realised at year-end.

5. Depreciation, the variance may be attributed to an underestimation in the depreciation budget and the final depreciation charges being higher than anticipated.

6. Repairs and Maintenance, the positive variance is due to maintenance work that was initiated in Quarter 4 of 2024/2025 and only completed in Quarter 1 of 2025/2026.

7. Interest Expense, the expenditure incurred was lower than expected due to the recent interest rate cuts and the volatility of the interest rate in general.

8. Bulk purchases, the variance is mainly due to the dispute with Johannesburg Water which has resulted in ERWAT not processing payments to Johannesburg Water until the dispute is resolved between ERWAT & Johannesburg Water.

9. General Expenses, the reasons for the under expenditure are as follows:

    - Consulting and professional fees: Under expenditure mainly due to the panel of professional service providers tender that was budgeted for but not yet awarded (currently at final stages of award).

    - Health, safety and protective clothing: The under expenditure is mainly due to the PPE tender that was budgeted for but not yet awarded (currently at the evaluation stage of award). Furthermore, the expenditure on the PPE transversal contracts that is currently being utilised is limited to critical PPE items and doesn't include all the necessary PPE items required by ERWAT.

    - Fuel and other fleet costs: Underspending on fuel that was budgeted for in anticipation of loadshedding that was not realised.

    - Transport and freight - sludge management: Underspending due to work that could not be completed as planned within the first quarter.

Table 6: Capital expenditure

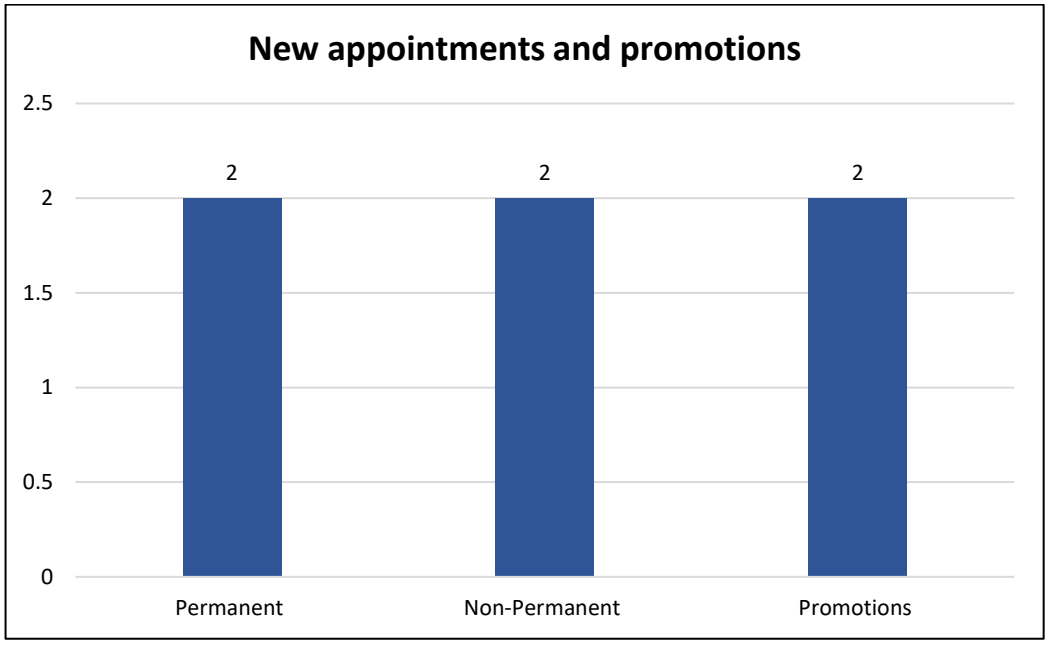
Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter	Variance	Total Budget for the year	Actual for FY (Yr. to date)	Variance for year (Yr. to date)	% Completion
CAPEX PROJECT	R 294 995 612,00	-	R 44 249 341,80	R44 339 864,14	R90 522,34	R 294 995 612,00	R44 339 864,14	R90 522,34	15.03%

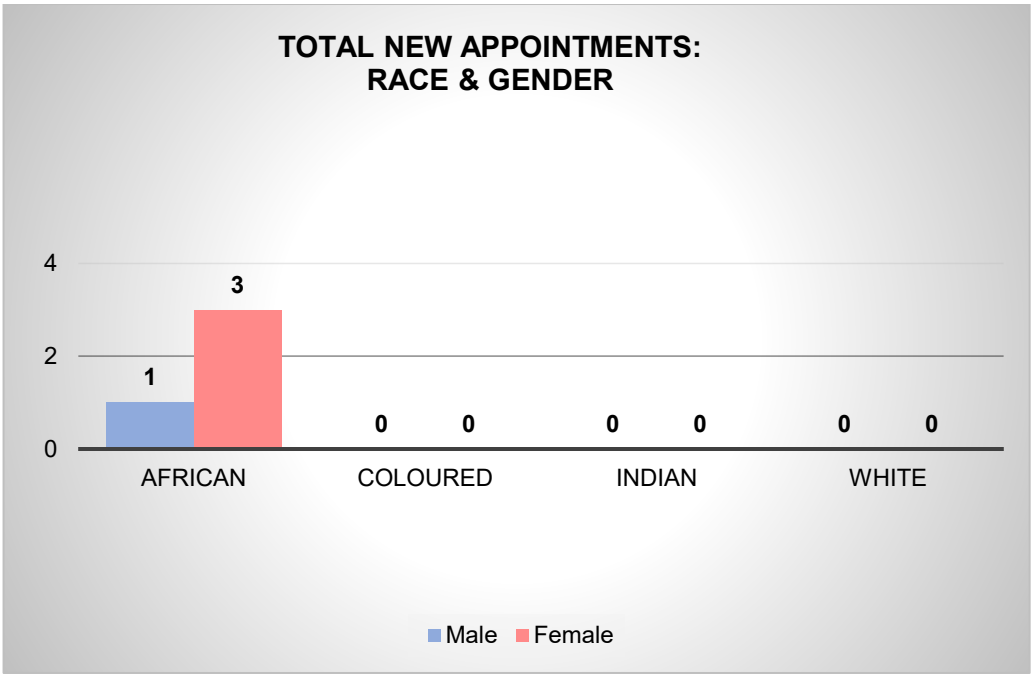
4. Human Resources

4.1 Staff Movements

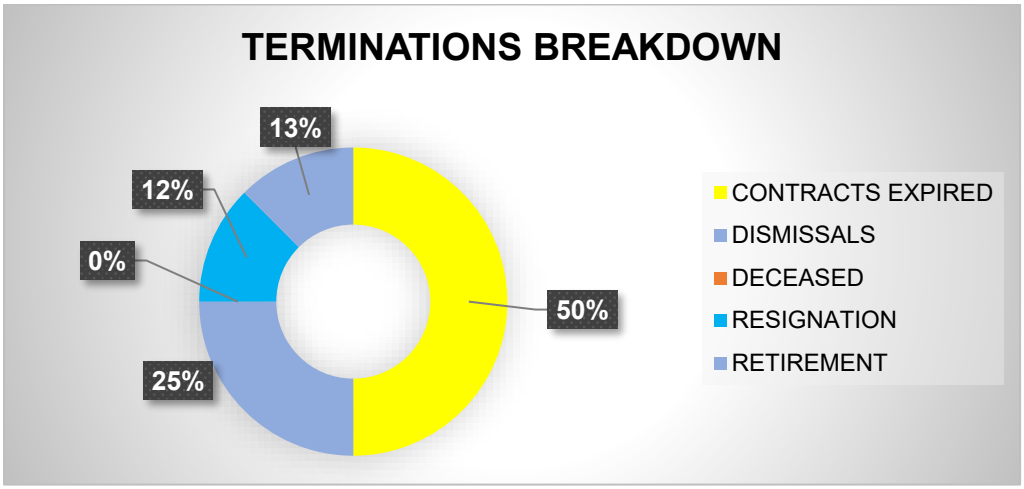
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	1	3	0	0	0	0	0	0	4
Promotions	2	0	0	0	0	0	0	0	2
Resignations	0	1	0	0	0	0	0	0	1
Retirements	1	0	0	0	0	0	0	0	1
Contract Expired	1	3	0	0	0	0	0	0	4
Dismissals	1	1	0	0	0	0	0	0	2
Deceased	0	0	0	0	0	0	0	0	0

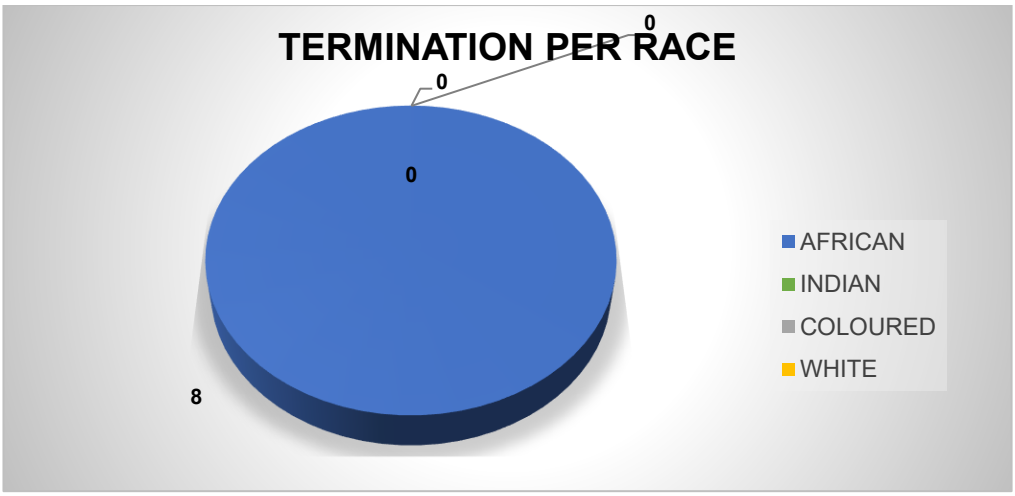
4.1.1 Appointments and Promotions





4.1.2 Terminations

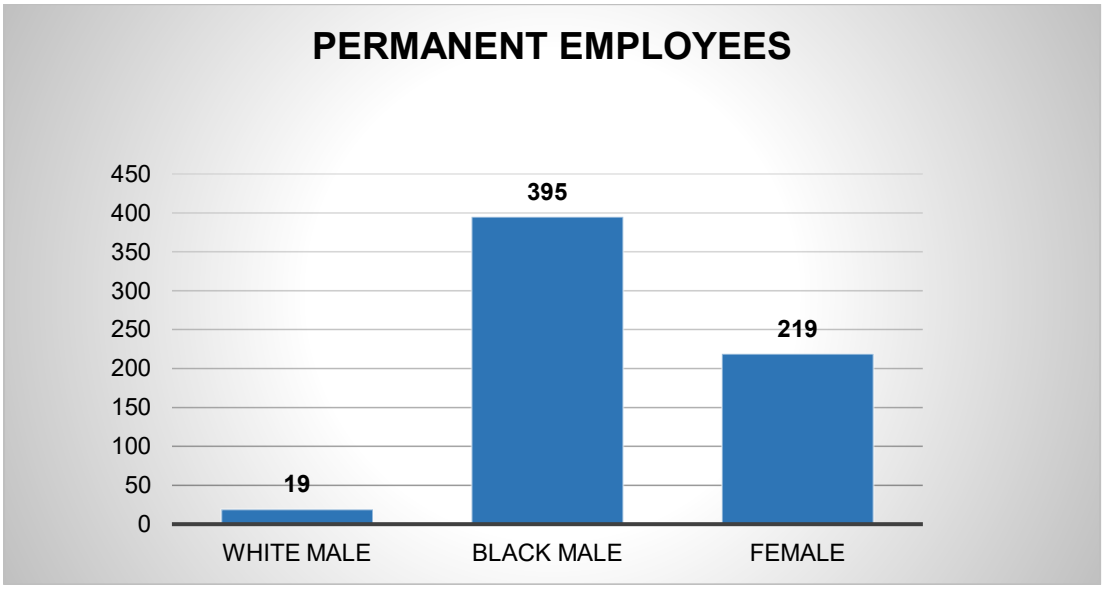




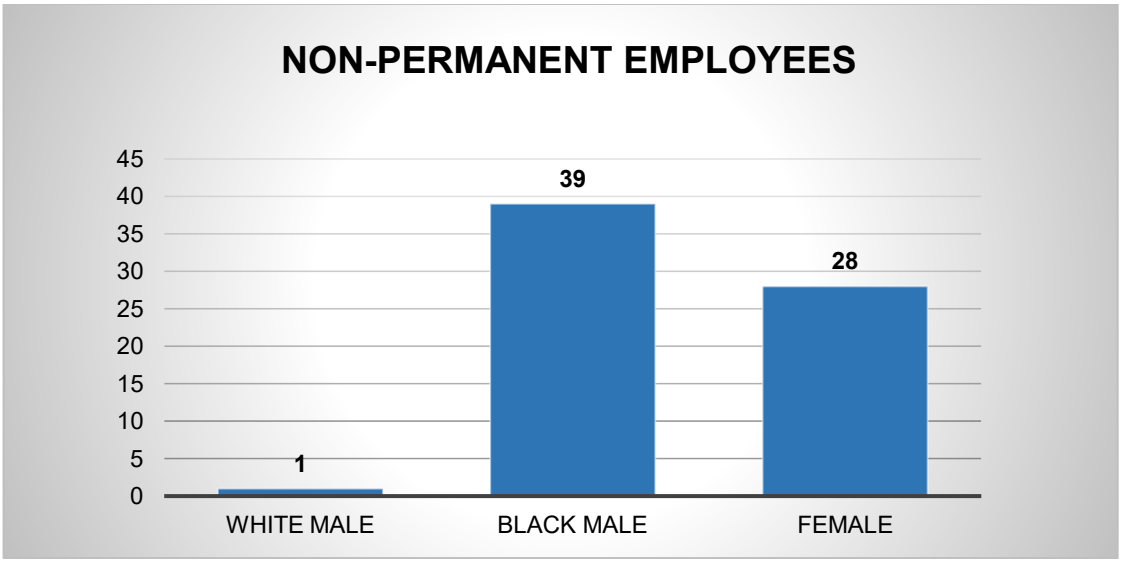
Status Analysis

- During the period under review, 4 employees were appointed.
- During the period under review, 7 employees exited the organisation for the following reasons:
    - 4 contracts expired.
    - 1 employee resigned.
    - 2 employee was dismissed and
    - 1 employee went on retirement during the period under review

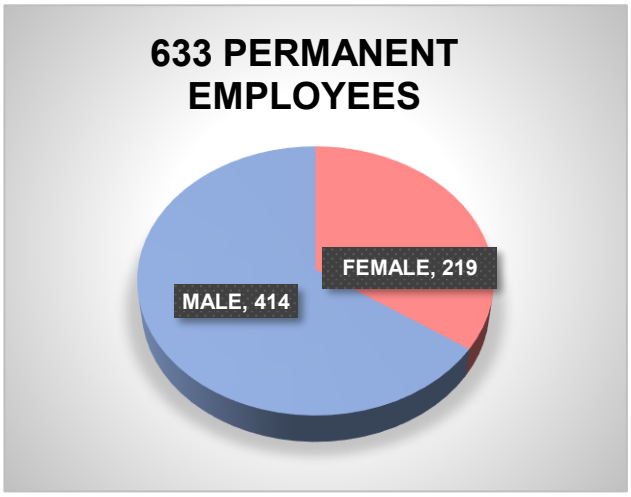
4.2 Employment Equity Demographics

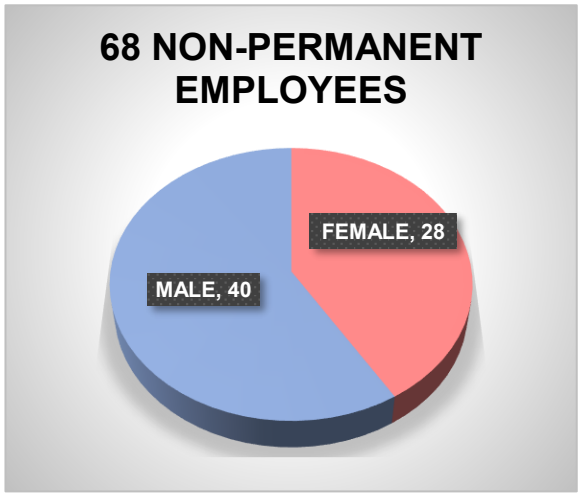


ERWAT has **633** permanent employees.



ERWAT has **68** non-permanent employees.

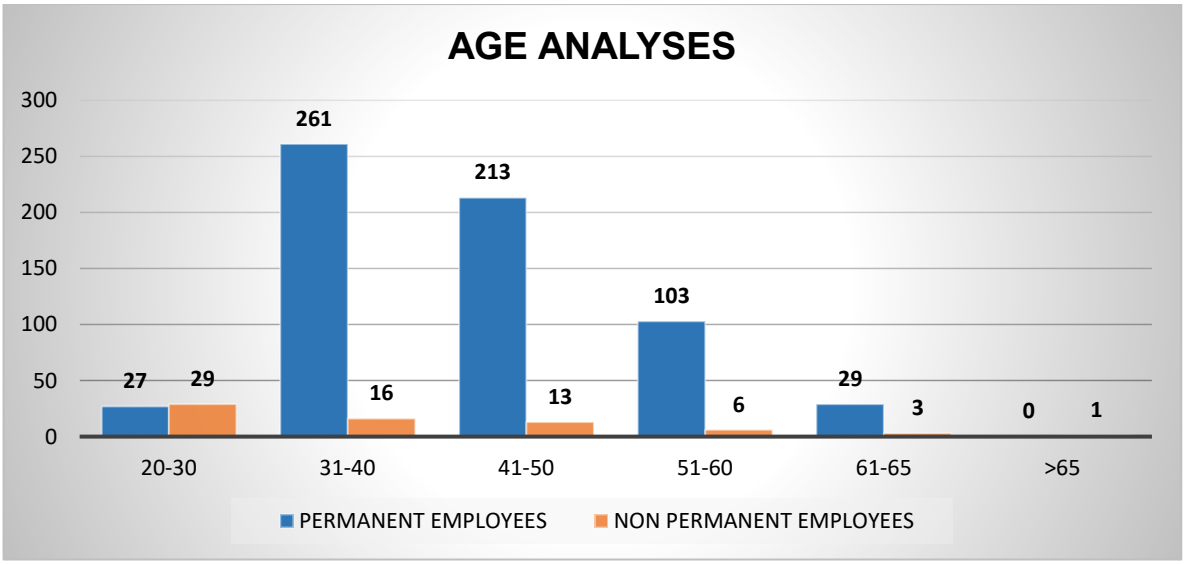




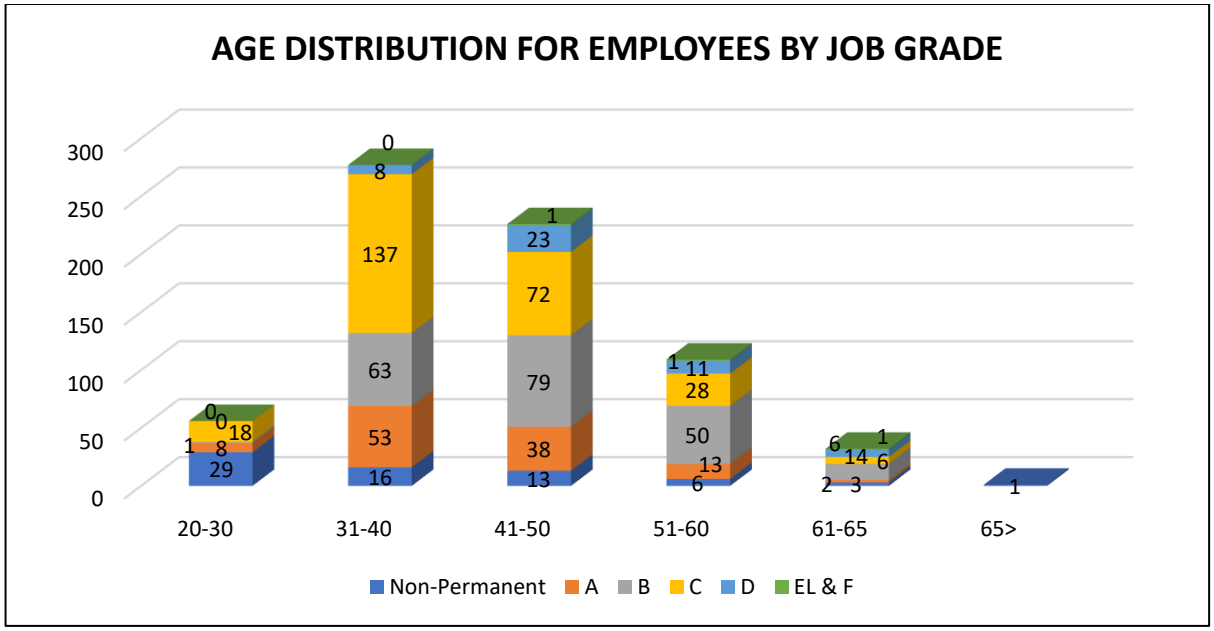
Status Analysis

- The employment demographics of ERWAT as at 30 September 2025 reflects:
    - Females in both permanent and non-permanent positions within ERWAT account for 247 or 35% of total positions filled.
    - Males in both permanent and non-permanent positions within ERWAT account for 454 or 65% of total positions filled.

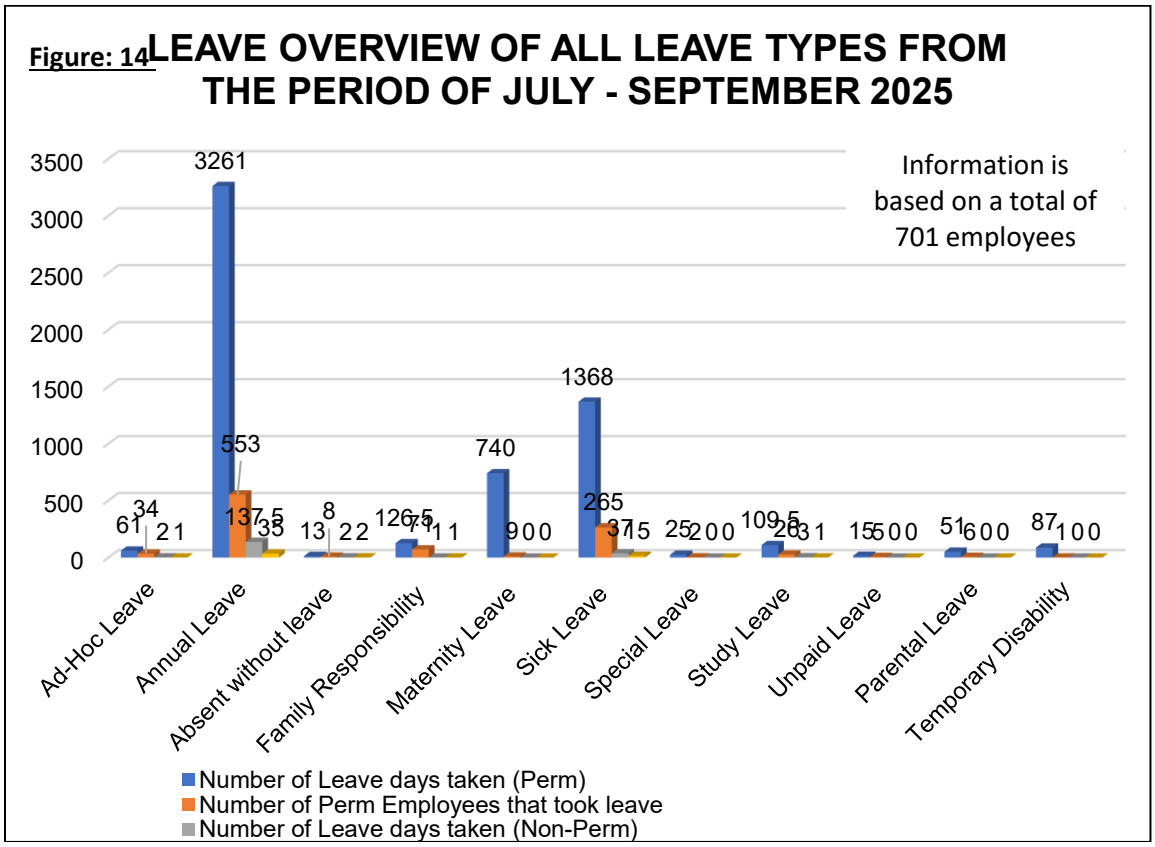
4.3 Age Analysis



- Average age as at 09/2025 = 36



4.4 Leave Management



Status Analysis

- Total number of employees who took sick leave during the period under review are 265. The total sick leave taken equates to an approximate minimum of 5 days per employees.

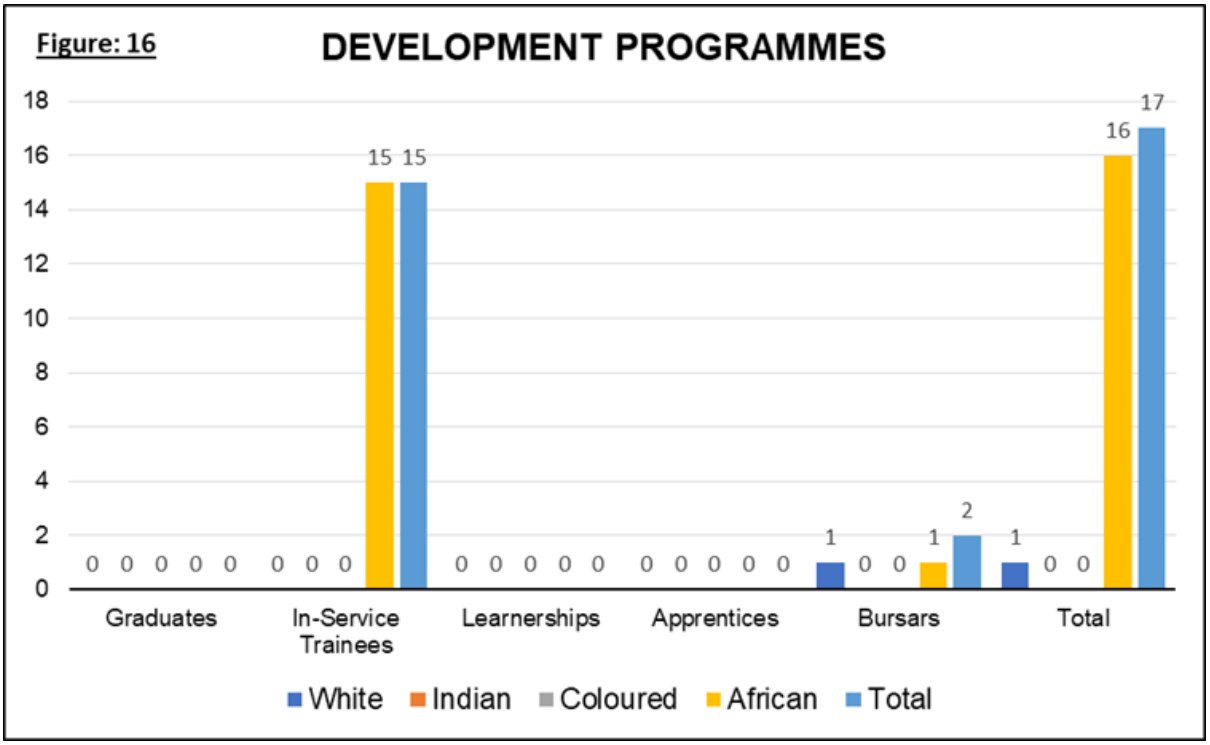
4.5 Unstructured Overtime Trends

		Quarter 1	
Department	**2025/2026 Annual Budget**	**Hours**	**Expenditure**
Office of the MD	0	0	0
Security	426 480,00	176,00	77 068,99
Company Secretariat	70 839,00	0	0
Financial Services	268 118,00	51,33	20 432,74
Human Resources	30 528,00	0	0
Strategy, Monitoring and Evaluation	39 011,00	0	0
Maintenance	4 180 029,00	3 044,50	959 161,43
IPAP	0	0	0
Scientific Services	2 529 744,00	1 870,99	648 487,77
Commercial Business	2 636 778,00	2 682,90	471 774,85
Operations	9 508 859,00	9 072,50	2 369 319,02
Total	**19 690 386,00**	**16 898,22**	**4 546 244,81**

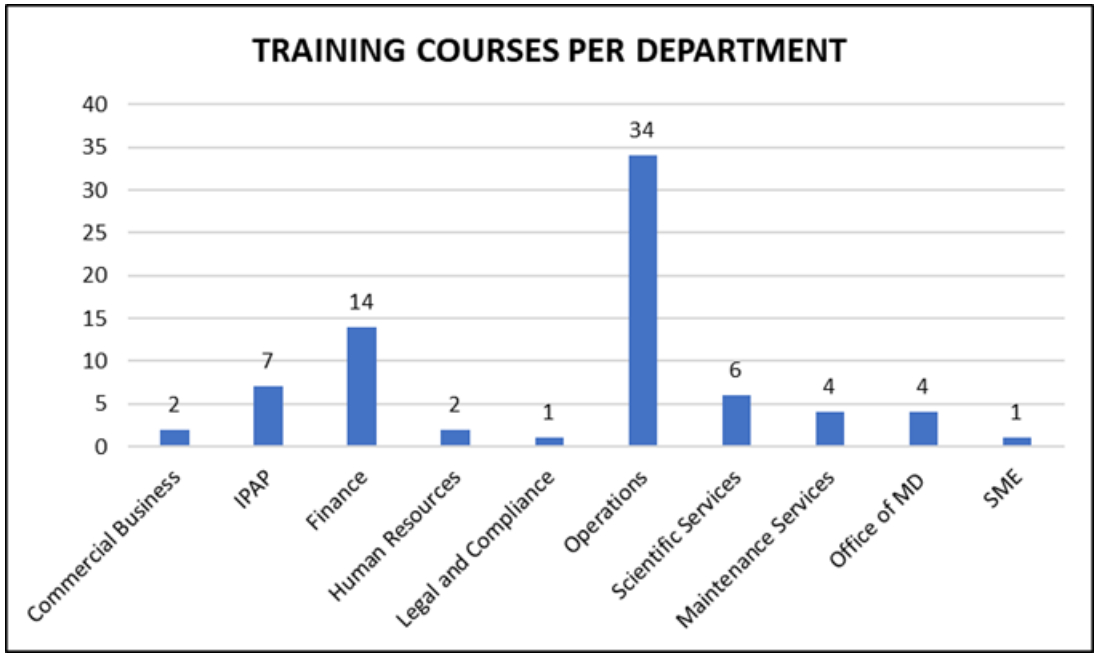
Overtime is monitored and approved by management, as per the needs of the various business units.

4.6 Training and Development

The reporting period saw **69 employees** attending training programs, with a total of **15 Inservice trainees** for **Commercial Business (9)** and **Scientific Services (6)**.

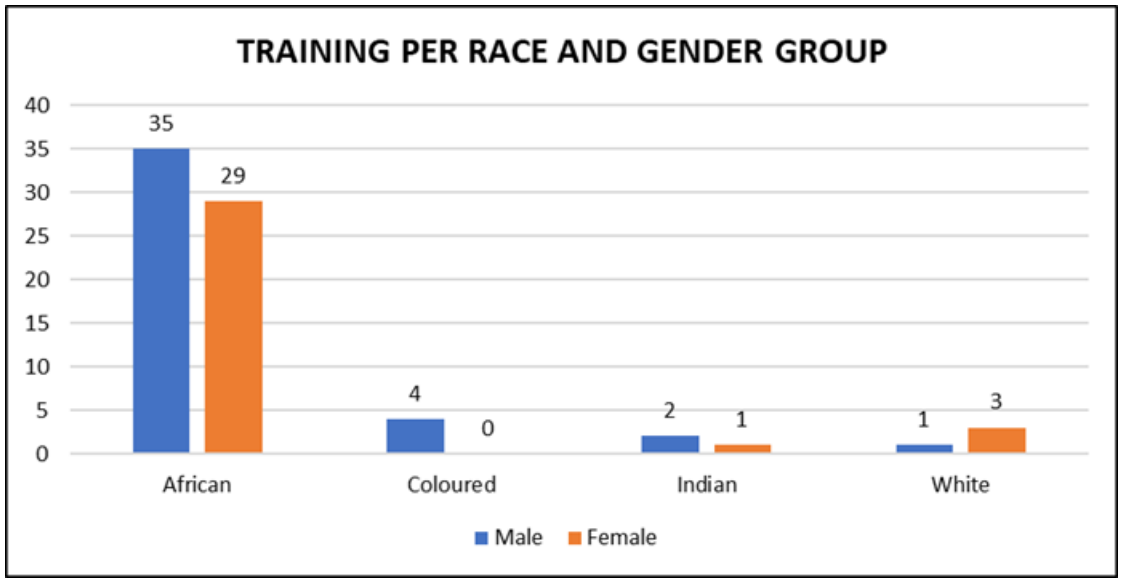


- **In-service trainees:** We have a total of **15 trainees** based at Commercial Business (9) and Scientific Services (6).
- **Bursars:** We have **2 external bursary** beneficiaries.



Report on performance in respect of the Skills development plans (narrative).

- **38** ERWAT Staff members attended the **CIDB Capacity building Workshop** on the 25th August 2025
- **31** Staff members attended **the Wellness Workshop** from 09th – 11th September 2025
- **6** Staff member attended **Business Continuity Management Training** from 12th – 14th September 2025.



Training per race and gender to date.

- 35 African Males
- 29 African Females
- 4 Coloured Males
- 0 Coloured Female
- 2 Indian Male
- 1 Indian Female
- 1 White Male

- 3 White Female

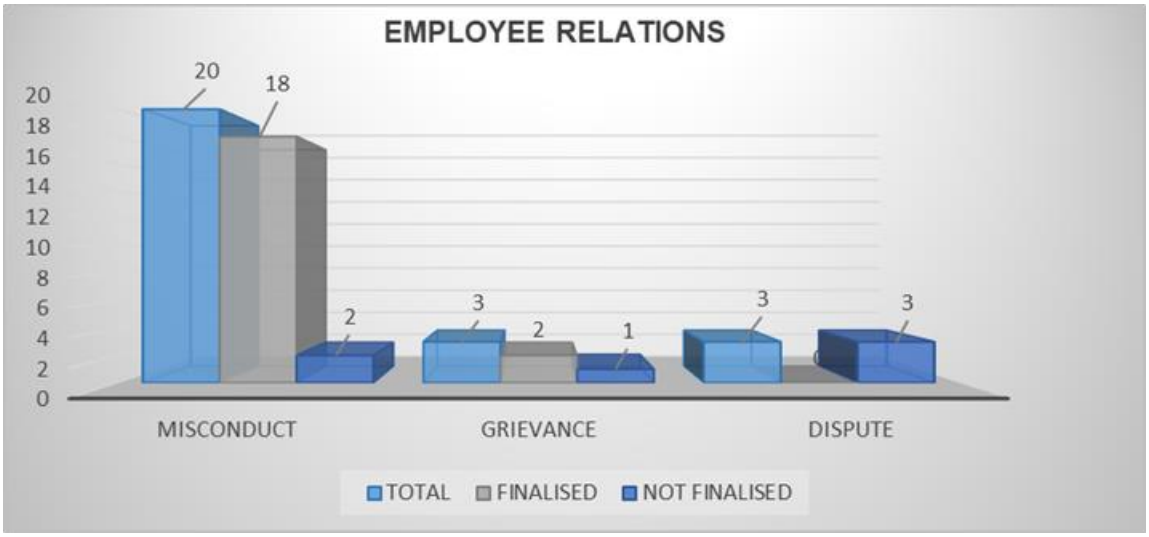
4.7 Performance Management

Status Analysis

Year End 2024/2025 evaluations will be completed in Quarter 3 of the 2025/2026 Financial Year.

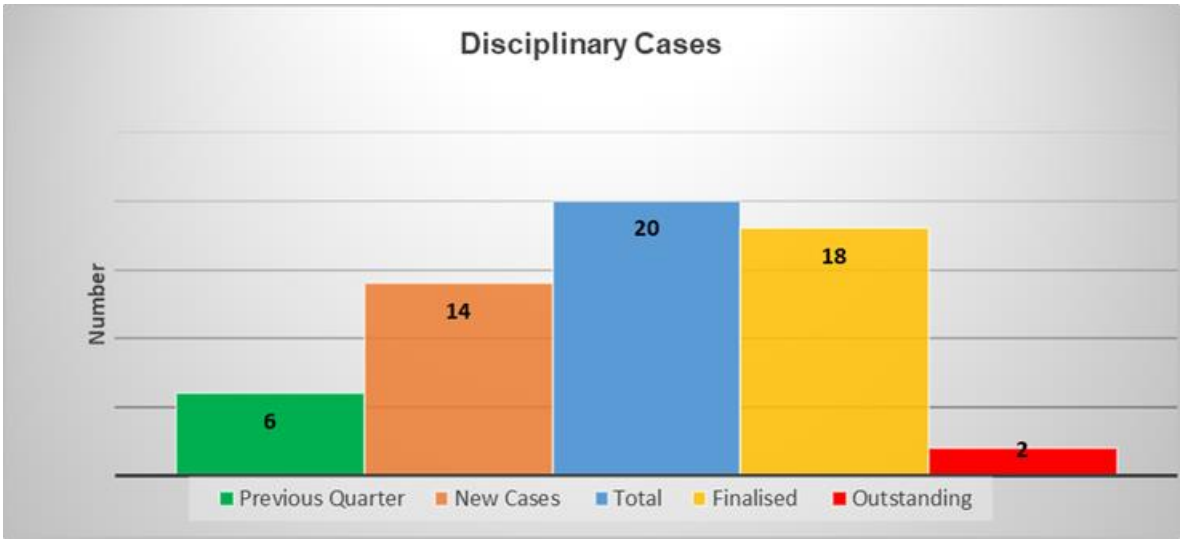
4.8 Employee Relations

The HR department, has received, recorded and administered the following processes for the reporting quarter, below is the statistical data of all cases and the analysis thereof.



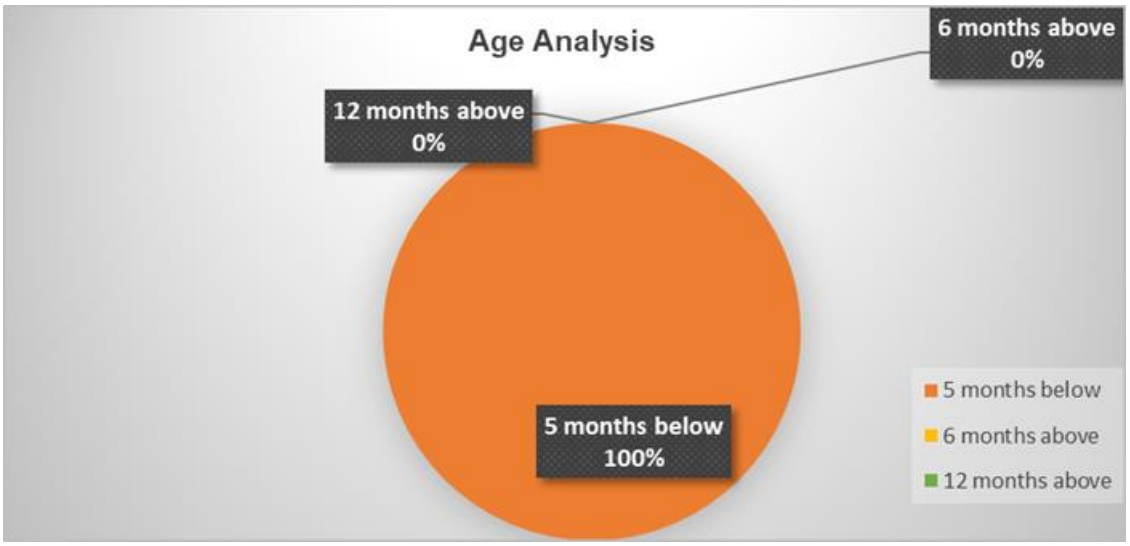
4.8.1 Disciplinary Cases

- Six (6) cases were not concluded in the previous quarter, hence brought forward.
- Fourteen (14) new cases were received; the total for all disciplinary cases is twenty (20). The total number of cases finalized is eighteen (18), with a remaining balance of two (2) cases outstanding.



4.8.2 Age Analysis of Disciplinary Cases

- The age analysis of the two (2) cases outstanding, 100% are below five (5) months, and 0% are above twelve (12) months old.

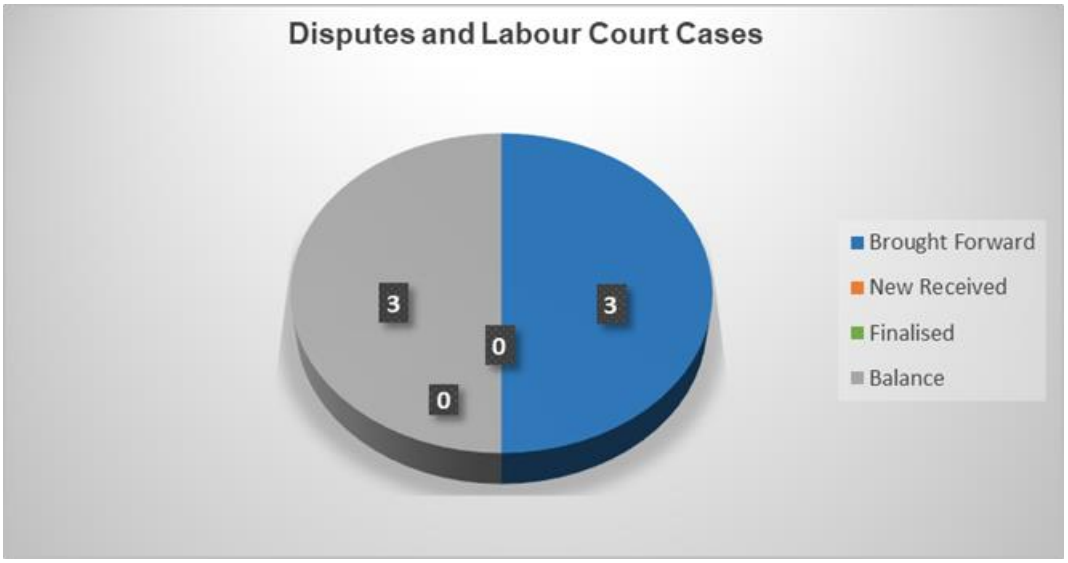


The age analysis of the two (2) outstanding cases is as follows:

- Cases that are less than 1 month old = 0
- Cases that are one (1) month old =0
- Cases that are two (2) months old = 0
- Cases that are three (3) months old =0
- Cases that are four (4) months old =0
- Cases that are five (5) months old =2
- Cases that are six (6) months old =0
- Cases that are more than twelve (12) months old = 0

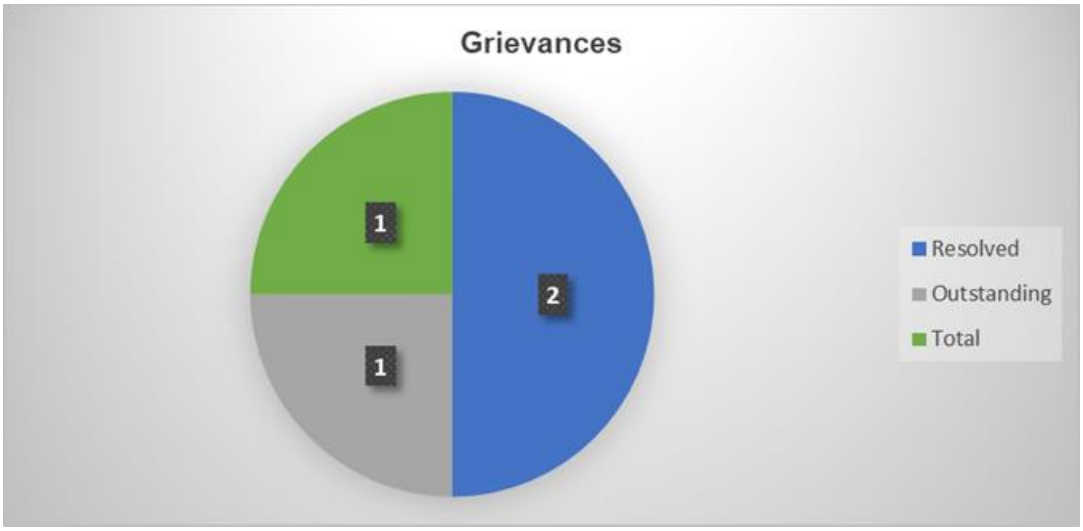
4.8.3 Disputes, Arbitrations & Labour Court Cases

- Total cases brought forward three (3) as at the end of the previous quarter.
- No new case was received
- No cases have been finalised
- In respect of disputes at the Bargaining Council and Labour Court cases, ERWAT is sitting on three (3) cases
- The above cases are pending adjudication at the appropriate forums.



The graph illustrates the statistical data of disputes at the Bargaining Council and Labour Court, as at the end of Q1, with three (3) cases still pending

4.8.4 Grievances



The total grievances outstanding is one (3).

4.8.5 Suspensions

There is no suspension for the period under review.

4.9 Employee Wellness Programme & OHS

ERWAT Occupational Health Services offers Wellness Programme as follows:

Employee Wellness and OHS

ERWAT Occupational Health Services offers Employee Wellness Programme as follows:

ERWAT has 46 Wellness Champions (WC) that are placed in all 19 Plants including the Scientific Services and Head Office.

The core function of the WC is to assist the Occupational Health Services in identifying any health and wellness concerns amongst employees and monitor absenteeism; they also provide health education in the form of frequently scheduled meetings with employees on site.

The period under review – Q1,

Wellness day was held at JP Marais on 08 August 2025 for DD4 & DD5 Plants, where the annual event is arranged by ERWAT Health Services, facilitated by Discovery Health and 3Sixty Global Solutions Group. 31 employees were screened with 60 as an estimated number for the day.

Wellness day was held at Head Office on 15 August 2025 for DD3 Plants, Head Office & Scientific Services, where the annual event is arranged by ERWAT Health Services, facilitated by Discovery Health and 3Sixty Global Solutions Group. 69 employees were screened with 120 as an estimated number for the day.

During the Wellness Day facilitated, the following services were also provided. However, with few consultations as the employees are concerned for the medical aid funds will be exhausted before the end of the year, also other employees did not have available and enough medical aid funds at all to afford the services using cash;

Audiologist for hearing screening
Dentist
Optometrist vision screening
Physiotherapist
Podiatrist for feet disorder screening
Dietician
Orthotist assists people with mobility issues caused by injury, disease, or disorders of the nerves, muscles, or bones.
Phlebotomist for different blood tests except the ones that requires the Doctor’s request

Wellness Champions Workshop was held at the Training Centre from 09 to 11 September 2025, where it was facilitated by OHNPs (In-house), topics covered were;

Exercise and Rehydration Wellness

Physical Wellbeing
Nutritional Wellness
Stress Management
Sleeping Wellness
Environmental Wellness
Financial Wellness
Respect and Intelligence Growth
Emotional Wellness
Mental Wellness

Presentation was offered by Life Health Solutions Representative about Employee Workplace Programme services offered to ERWAT on 36 months contract, commencing from June 2025 onwards.

4.10 Percentage of Salary to OPEX.

	Quarter 1
Total Salary Cost	119 129 524
Total Opex	396 637 426
% of Salary to Opex	**30%**

Note: The ratio between the % of Salary to the Operational Expenditure are influenced by the total expenditure for the Quarter.

5. Procurement Practices, Job Creation and Mainstreaming

ONE (1) bid was awarded during Quarter 1 *(Annexure A)*

1. BEE spend in respect of supplier and contractor (PDIs):

1.1 The bid was awarded to service provider 100% HDI ownership, with 52% black woman ownership and falls within the QSE B-BBEE scorecard. The bidder is operating within the COE area (Thembisa).

2. Job creation is encouraged by including a provision for locally situated bidders within the set criteria in the functionality section where it could be broken down further where bidders could be scored for indicating in the supporting documents and tables their intention to employ new staff from the areas, they will be operating from in the event that they are awarded a tender. This is, however, included on a case-by-case basis where it is practically implementable.

3. ERWAT is not able to utilise the EPWP program due to being and Entity and cannot apply directly to National Treasury for this grant through the Division of Revenue Act. Going forward, ERWAT will during its budget cycle identify potential projects where the EPWP can be included and utilised. ERWAT will require access and training on the respective EPWP portal for registration of projects and reporting.

ANNEXURE A - SUMMARY OF AWARDS

	QUARTER 1				
CATEGORY	**JULY**	**AUGUST**	**SEPTEMBER**	**YEAR TO DATE TOTAL Q4**	**% OF YEAR TO DATE TOTAL**
0% HDI / JURISTIC PERSON	R0.00	R0.00	R0.00	R0.00	0%
1-50% HDI	R0.00	R0.00	R0.00	R0.00	0%
51-99% HDI	R0.00	R0.00	R0.00	R0.00	0%
100% HDI	R0.00	R1 797 072.51	R0.00	R1 797 072.51	100%
TOTAL	**R0.00**	**R1 797 072.51**	**R0.00**	**R1 797 072.51**	**100%**
SIZE OF COMPANY	**JULY**	**AUGUST**	**SEPTEMBER**		
LARGE	R0.00	R0.00	R0.00	R0.00	0.00%
MEDIUM	R0.00	R1 797 072.51	R0.00	R1 797 072.51	100.00%
SMALL	R0.00	R0.00	R0.00	R0.00	0.00%
MICRO	R0.00	R0.00	R0.00	R0.00	0.00%
TOTAL	**R0.00**	**R1 797 072.51**	**R0.00**	R1 797 072.51	**100%**
AWARDS MADE TO:	**JULY**	**AUGUST**	**SEPTEMBER**		
BLACK FEMALE 01-50%	R0.00	R0.00	R0.00	R0.00	
BLACK FEMALE 51 - 99%	R0.00	R1 797 072.51	R0.00	R1 797 072.51	
BLACK FEMALE 100%	R0.00	R0.00	R0.00	R0.00	
FEMALE 0 - 100%	R0.00	R0.00	R0.00	R0.00	
MILITARY VETERANS	R0.00	R0.00	R0.00	R0.00	
PWD	R0.00	R0.00	R0.00	R0.00	
YOUTH	R0.00	R0.00	R0.00	R0.00	
BBEEE SCORE CARD	**JULY**	**AUGUST**	**SEPTEMBER**		
EME	R0.00	R0.00	R0.00	R0.00	0.00%
QSE	R0.00	R1 797 072.51	R0.00	R1 797 072.51	100.00%
GENERIC	R0.00	R0.00	R0.00	R0.00	0.00%
TOTAL	**R0.00**	**R1 797 072.51**	**R0.00**	**R1 797 072.51**	**100%**
AWARD MADE TO	**JULY**	**AUGUST**	**SEPTEMBER**		
COE-BASED COMPANIES	R0.00	R1 797 072.51	R0.00	R1 797 072.51	100.00%
NON-COE BASED	R0.00	R0.00	R0.00	R0.00	0.00%
	R0.00	**R1 797 072.51**	**R0.00**	**R1 797 072.51**	**100%**

6. Risk Management

Risk assessment provides an assessment of the relevant and critical risks through a classification and rating system, and mitigating actions and KPIs and targets that can be incorporated in the Balanced Scorecard. The reporting on the risk management into the quarterly reporting process is to ensure that the key risks that may prevent the achievement of the department's strategy are systematically identified and mitigating strategies and actions developed.

Table 11: Risk Assessments

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
ERW 1	**Inadequate Infrastructure to treat wastewater in line with Green Drop standards**	CF1.1	Inadequate integrated planning between CoE and ERWAT (industrial growth and human settlements)	#REF!	CC1.1	The Service Delivery Agreement between the CoE and ERWAT formalizes the scope, deliverables, and performance benchmarks for municipal wastewater management.	Satisfactory	Negotiate a payment schedule with CoE for timeous payments for services rendered	Negotiations with the City are ongoing to ensure that ERWAT receives its payment on time	Quarterly
					CC1.2	Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.		Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.	Negotiations are ongoing with the CoE to ensure that the tairff structure is reflective of all cost drivers	Quarterly
		CF1.2	a) Aging and inadequate infrastructure to treat high strength industrial effluent due to lack of		CC1.2.1	Grant Funding to offset Capex budget deficit (Urban Settlement Development Grant)	Weak	Initiate implementation of project utilising Developers Contribution to leverage funding (Hartbeespoort WCW)	Action not yet started. Progress to be reported in quarter 2	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			budget to implement capacity related projects. **Current Capacity** (14 WCWs operating above 100% capacity, 3WCWs operating at 80%+ to 100% and only 2 WCWs operating below 80%) Some WCW operating above capacity during dry season and during wet season		CC1.2.2	Wastewater conveyance and treatment systems regionalisation and 50 year master plan (inclusive of reduction to 10 WWP)	Weak	Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA) Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht	Access being facilitated for five Turnkey Projects; briefing scheduled for the 01 October 2025. The tender closes on the 14 Oct 2025 and it is anticipated that the procurement process will be concluded by December/January	30 June 2027
					CC1.2.3	Capex Budget Allocation as per CoE MTERF	Weak	Develop a Capex Investment Framework to prioritise projects to be implemented based on identified criteria	Progress to be reported in quarter 2	30 June 2026
					CC1.2.4	Implemented the CoE Engineering Bulk Contribution Policy and that is customised to the ERWAT environment (cost inputs into infrastructure and benefits to be derived by customers)	Satisfactory	Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.	Action not yet started. Progress to be reported in quarter 2	30 June 2026
		CF1.3	Preventive maintenance plan not executed due	#REF!	CC1.3.1	Asset Management Policy & Asset Management Strategy that is implemented	Satisfactory	Appointment of service provider for maintenance of	**Following Contracts Are at Advert Stage** Repairs of Electric Motors , Ferric Dosing Systems	As per procurement plan

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			to lack of readily available spares					priority infrastructure identified	**<u>Following Contracts Are at Bid Evaluation Stage</u>** Mechanical Suporting Services , Mechanical Spares **<u>Following Contracts Are at Bid Specifications Stage</u>** Electrical Spares , Pump Repairs and Instrumentation and Screw Pumps (BSC)	
					CC1.3.2	Alignment of maintenance contracts with ERWAT identified priorities	Satisfactory	Procure critical identified spare parts to reduce reliance on external contractors and avail tools of trade	Electrical spares procured for Q1 using the existing contract, as an interim measure. Report on establishment of Maintenance Spares Stores served at EXCO on 22 September 2025	30 June 2026
					CC1.3.3	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from Reliability Team on Critical infrastructure (minimum maintenance frequency requirements identified) with funding limitations	Satisfactory	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	Report on the establishment of Maintenance Spares Stores served at EXCO on 22 September 2025. Draft Stores Management Policy to serve at EXCO in January 2025	30 June 2026
					CC1.3.4	Service Master Contracts in place (Spare parts required have been identified)	Satisfactory	Stock identified workshops with minimal inventory identified	Report on the establishment of Maintenance Spares Stores served at EXCO on 22 September 2025	30 June 2026
		CF1.4	Nonalignment of maintenance activities with Reliability Centred Maintenance (RCM)		CC1.4	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from Reliability Team on Critical infrastructure (minimum maintenance frequency	Satisfactory	Conduct an empirical study of the costs incurred in the value chain	Action not yet started. Progress to be reported in quarter 2	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
						requirements identified) with funding limitations				
		CF1.5	Inadequate critical spare stores (i.e., buffer stock of procured items to carry out emergency maintenance work) is not in place for the entity.		CC1.5.1	ERWAT Operational Procurement Plan ensuring uninterrupted supply of critical goods and services	Weak	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	Report on establishment of Maintenance Spares Stores served at EXCO on 22 September 2025	Quarterly monitoring and implementation by 30 June 2026
					CC1.5.2	The critical spares required by the plants have been identified	Weak	Develop a stores management policy to enable spares to be procured and stocked	Draft Stores Management Policy is under development. Elements of the policy tabled at EXCO on the 22nd of September 2025 for inputs. The policy to serve at EXCO in January 2025	31 March 2026
					CC1.5.3	Equipment Operating Manuals & Maintenance Standard Operating Procedures to reduce frequency of break downs implemented	Weak	Procure critical identified spare parts to enable maintenance to be conducted in-house	Electrical spares procured for Q1 using the existing contract, as an interim measure. Report on establishment of Maintenance Spares Stores served at EXCO in September 2025	30 June 2026
								Monitor performance of the service provider to ensure goods are the right quality, on time and within budget, while minimizing risks	Monthly contract performance evaluations are been conducted on all contracts that are servicing ERWAT (OPS & MAINT)	Monthly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
		CF1.6	Storm water ingress contributing to the increased water levels in the plant		CC1.6	No current control - Storm water is managed at City level	None	Discussion with CoE to divert storm water pipeline	Action plan not yet started. To report in quarter 2	30 June 2026
		CF1.7	Reliance on service providers to perform specialised work (due to non availability of spare parts)		CC1.7.1	Enforcement of performance management of service providers	Satisfactory	Appoint service provider for specialised services	Contract for PSP recommended for award by the Bid Adjudication Committee	As per procurement plan
					CC1.7.2	Quality controls to monitor performance of contractors	Satisfactory	Train staff to execute identified specialised services internally	Training requisitions for contract management submitted to HR in August 2025 Training requests for other skills to ve submitted.	30 June 2026
		CF1.8	Ineffective first line maintenance		CC1.8.1	SoP have been developed for first line maintenance	Unsatisfactory	Conduct awareness and training to first line staff for maintenance of equipment	Progress to be reported in quarter 2	31 December 2025
					CC1.8.2	Schedules of activities for first line maintenance incorporated in the maintenance plan	Unsatisfactory	Maintain stock of consumables and spares for first line maintenance	Report on establishment of Maintenance Spares Stores served at EXCO in September 2025 Draft Stores Management Policy to serve at EXCO in January 2025	31 March 2026 & Quarterly
								Monitoring of maintenance programme	Quarterly maintenance reports submitted.	30 June 2026
		CF1.9	Inefficient and inadequate measurement of energy consumption to		CC1.9.1	Quarterly electricity consumption benchmarks established per plant and monitored	Satisfactory	Replacement of energy intensive equipment with energy efficient equipment (pumps, motors, gearbox)	Progress to be reported in quarter 2	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			reduce carbon footprint		CC1.9.2	Renewable Energy Plan (Solar, hydro water) developed inclusive of Plants, Head Office and labs.	Unsatisfactory	Conduct energy efficient audits for remaining 16 sites	Progress to be reported in quarter 2	30 June 2026
					CC1.9.3	Energy audits for efficiently conducted for 3 of 19 sites	Unsatisfactory	Appoint service provider for pilot to be run at Head Office	Progress to be reported in quarter 2	30 June 2026
								Resuscitate the combined heat and power (CHP) systems project at Waterval	Progress to be reported in quarter 2	31 December 2025
		CF1.10.	Inadequate grant funding for infrastructure upgrades		CC1.10.1	Grants received by the CoE for Urban Settlement Development are assigned to ERWAT	Unsatisfactory	Develop a Grant Management Policy	Policy developed, waiting approval of the Board	30 June 2026
					CC1.10.2	Infrastructure South Africa (ISA) funding CoE for conveying, regionalisation and 50 year Master Plan (reduce from 19 to 10 plants) up to " banking" stage (i.e. ready for implementation and funding)	Weak	Appointment of Transactional Advisor by ISA	At Bidding Stage(The process of appointing a Transactional Advisor will be done through ISA)	30 June 2026
		CF1.11	Inadequate treatment capacity (Rapid population and industrial growth within CoE)		CC1.11	Wastewater conveyance and treatment systems regionalisation and 50 year master plan	Unsatisfactory	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	Progress to be reported in quarter 2	
		CF1.12	Capital requirements not raised timeously, inclusive of raising funds for infrastructure	#REF!	CC1.12.1.	Infrastructure Capital Plan entailing the increasing capacity to meet future demand, implementing a capital expenditure (CAPEX) program for renewals and	Unsatisfactory	Conduct an empirical study of the costs incurred in the value chain	Progress to be reported in quarter 2	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			upgrades			upgrades, exploring public-private partnerships for wastewater reuse				
					CC1.12.1.	ERWAT's 50-Year Master Plan(strategic initiative to upgrade and centralize the bulk wastewater treatment infrastructure in Ekurhuleni, aiming to reduce the number of plants from 19 to 10, increase capacity and efficiency, and align with the city's growth and spatial development framework, including the Aerotropolis. The plan incorporates public-private partnerships, advanced control systems, research and development in natural sciences and engineering, and a focus on wastewater reuse and commercial expansion to meet growing demands)	Unsatisfactory	Appointment of Transactional Advisor by DBSA	At Bidding Stage(The process of appointing a Transactional Advisor will be done through DBSA)	30 June 2026
ERW 2	**Insufficient / Inadequate organisational readiness to anticipate and respond to emergencies or natural disasters**	CF2.1	Some plants of the 19 Wastewater Care Works (WCW) do not have wastewater bypassing systems and emergency dams	#REF!	CC2.1.1	Wastewater bypassing systems and emergency dams inclusive in the 50 year Master Plan	Weak	Conduct a simulation of the disaster to ascertain solutions for excess rainfall	Progress to be reported in quarter 2	30 June 2026
					CC2.1.2	Water Bypass System for some Wastewater Care Works (3 of 19) and emergency dams (4 of 19)	Weak	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	No reporting required for the period under review.	N/A
		CF2.2	Haartebeesfontein and Olifantsfontein infrastructure built		CC2.2	Minimum ponding of water in identified areas	Satisfactory	Continue maintenance of the storm water drainage systems to prevent	Progress to be reported in quarter 2	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			on dolomitic areas					excess flow in identified area.		
		CF2.3	The Disaster Recovery site is in close proximity (1 km) too operations and hence might be simultaneously affected by the same factors that caused the business disruption		CC2.3.1	Cloud backup every 24 hours (finance, laboratory, maintenance applications of server)	Weak	Procure independent Data Center to host ERWAT IT infrastructure	Progress to be reported in quarter 2	30 June 2026
					CC2.3.2	Annual testing plan executed and reported upon to the ICT Steercom	Weak		Progress to be reported in quarter 2	
					CC2.3.3	Back up servers at production and DR site	Weak		Progress to be reported in quarter 2	
					CC2.3.4	Microsoft 365 cloud based	Weak		Progress to be reported in quarter 2	
					CC2.3.5	Microwave link to the DR site Redundant network at DR Site (Microwave link)	Weak		Progress to be reported in quarter 2	
		CF2.4	Change in rainfalls patterns due to climate change and other factors related to climate change		CC2.4.	Water Bypass System for some Wastewater Care Works (3 of 19) and emergency dams (4 of 19)	Weak	Develop redundancy plans for infrastructure - Four plants	Progress to be reported in quarter 2	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
		CF2.5	Inadequate Business Continuity Management Program		CC2.5.1	Business Recovery Plan inclusive of ICT Disaster Recovery Plan and BIA's (excluding ICT) developed	Satisfactory	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional Assessments and commence with BCP update	Tender specification developed for the appointment of a BCM Service Provider and will be advertised in October 2025	31 March 2026 30 June 2026
					CC2.5.2	Business Continuity Management Risk Assessments for Water Care Works and Support Services	Weak			
					CC2.5.3	BCM Steering Committee established to ensure BCM aligns with strategic goals, allocates necessary resources, and monitors program effectiveness.	Very good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC2.5.4	BCM Infrastructure Condition Assessments	Satisfactory	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional Assessments and commence with BCP update	Tender specification developed for the appointment of a BCM Service Provider and will be advertised in October 2025	31 March 2026 30 June 2026
					CC2.5.5	Annual testing plan executed and reported to the ICT Steering Committee (simulation)	Satisfactory	Develop an integrated simulation for Business Recovery	Tender specification developed for the appointment of a BCM Service Provider and will be advertised in October 2025	Develop:31 December 2025 Implement :30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC2.5.6	BCM training is conducted for staff	Satisfactory	Conduct Health and Safety drills	Tarining took place in August 2025	31 March 2026
ERW 3	**Potential loss of the ISO 17025 accreditation affecting strategic positioning, market competitiveness, and regulatory alignment**	CF3.1	Aging instrumentation, scarcity of spares and discontinuation of instruments could result in loss of the approved testing methods impacting on service delivery both internally and externally (laboratory)	#REF!	CC3.1.1	Capital Expenditure Plan developed for improved instrumentation (current technology)	Satisfactory	Replace outdated technology as per the Capital Expenditure Plan	45 Capex items including instruments and laboratory equipment was received in Q1	As per Capital Expenditure Plan
					CC3.1.2	Lifespan review of laboratory equipment conducted by IPAP	Satisfactory	Conduct a lifespan review of laboratory equipment	Progress to be reported in quarter 2	31 March 2026
		CF3.2	Inadequate monitoring of accreditation requirements		CC3.2.1	Scheduled maintenance in accordance with ERWAT's Instrumentation Maintenance Plan	Good	Ensure scientific goods and services and maintenance calibration is procured timeously as per the procurement plan	The instrument for Phenol analysis was serviced as per schedule.	Quarterly
								Implement the correction action as per the "corrective action" register	Progress to be reported in quarter 2	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC3.2.2	Standard operating procedures for instrumentation maintenance implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	N/A
					CC3.2.3	Schedule for the calibration of equipment is maintained and monitored	Good			
					CC3.2.4	Staff undergo training and are certified to operate relevant equipment	Good			
					CC3.2.5	Quality section reviews adherence to ISO standards as per the "audit" schedule	Good			
					CC3.2.6	External audits are conducted by accredited service providers to maintain ISO certification External accreditation is obtained through SANAS	Good			
					CC3.2.7	Corrective action register is maintained and monitored	Good			
		CF3.3	Inadequate Laboratory building facilities (e.g. HVAC system, access control)		CC3.3.1	Temperature and air quality is monitored on a daily basis in the laboratories	Satisfactory	Develop and implement a maintenance schedule for the HVAC system	Contract for PSP recommended for award. Instruction to perform work to be issued once the SLA is finalised, Q2	30 June 2026
					CC3.3.2	Monthly safety audits conducted	Satisfactory	Conduct a physical risk assessment of the laboratory building facilities	Contract for PSP recommended for award. Instruction to perform work to be issued once the SLA is finalised, Q2	30 June 2026
					CC3.3.3	Quarterly OHS audits conducted	Satisfactory	Implement correction actions as per OHS audits		Quarterly
								Develop and implement a maintenance schedule for laboratory building	Building maintenance contract at final award stage. Instruction to perform work to be issued once the SLA is finalised, Q2	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								Implement access control to the laboratories	Access Control Contract awarded and the installation to start in October 2025	31 December 2025
ERW 4	**Underspending on CAPEX and OPEX budget**	CF4.1	Unspent funds on personal	#REF!	CC4.1.1	ERWAT 2025/26 Recruitment Plan developed	Satisfactory	Implementation of the 2025/26 recruitment plan to acquire skills required and expediate service delivery	In Progress	Quarterly
					CC4.1.2	Monitoring of fulfilment of historical vacancies by Exco	Good	Recruit of an additional resource HR resource to support the recruitment process and improve turnaround times thereby reducing the backlog	In Progress	30 September 2025
		CF4.2	Spending not as per Maintenance Plan budget		CC4.2.1.	Variance report (budget vs actual spent)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated		N/A
					CC4.2.2.	Exco monitors Maintenance budget	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC4.2.3.	MD's War Room (monitoring of repairs and maintenance budget)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
		CF4.4	Underspending of the allocated CAPEX budget		CC4.4.1	MD's war room monitors CAPEX expenditure	Good	Developed of bid specifications 12 months in advance	Progress to be reported in quarter 2	Quarterly
					CC4.4.2	Annual Procurement Plan developed and implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
ERW 5	**ERWAT may not be able to meet its short-term financial obligations**	CF5.1	Irregular payments for services rendered received from City	#REF!	CC5.1.1	Cash flow forecasts are conducted by ERWAT and thereafter escalated to CoE who monitors cash flow requirements of the City as a whole.	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC5.1.2	Cashflow monitoring by CoE	Satisfactory	Negotiate a payment schedule with CoE for timeous payments for services rendered	Action not yet started. Progress to be reported in quarter 2	Quarterly
					CC5.1.3	Engagement by the Board and Accounting Officer with CoE on recoupment of the outstanding debt				

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
		CF5.2	Absence of Revenue Enhancement - (augmentation) Strategy Short term cash		CC5.2.	Market penetration strategy developed for market revenue	Weak	Create the Revenue Enhancement Strategy inclusive of unlocking financial opportunities and link to ESG Strategy	Developed the strategy, to be discussed at the next EXCO meeting.	31 March 2026
								Create an Economic Social Governance strategy that links to commercial business (Strategy monitoring and environmental)	Action plan not yet started. Progress to be reported in quarter 2	31 March 2026
		CF5.3	Service Charges received from CoE not reflective of operational needs (funding)		CC5.3	Agreement with CoE for a fixed annual fee based on operating costs	Satisfactory	Investigate alternate sources of raising grant funding e.g. ISA	Dependant on the approval of the Grant Management Policy. Policy developed, waiting approval of the Board.	Quarterly
								Conduct an empirical study of the costs incurred in the value chain	Action plan not yet started. Progress to be reported in quarter 2	30 June 2026
ERW 6	**Inefficiency to acquire timeous services due to ineffective SCM processes**	CF6.1	Late commencement of bid processes by user department and discrepancies around specifications	#REF!	CC6.1.1	Annual Procurement Plan developed and implemented	Satisfactory	Develop a Demand Management Plan per Division for the 2026/27 financial year	Action plan not yet started. Scheduled for Quarter 3 to during budget process for 2026/2027	31 May 2026
					CC6.1.2	Use of transversal contracts	Satisfactory	Prepare the Capex and Opex Plans - review and prioritise	OPEX and Capex plans finalised and signed off by the AO in August 2025	30 September 2025
					CC6.1.3	Monitoring of the implementation of the Procurement Plan by SCM	Good	Amend the procurement procedures to incorporate advertising of bids in line with MTERF. Develop specifications 12 months prior to the	The procurement procedure is under review to incorporate the development of specifications to 12 months before the appointment of the tender.	31 January 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								services being required.		
					CC6.1.4	Specifications are developed 6 months prior to the services being required.		Standardise the documents to be utilised for specification of construction.	SCM and other stakeholders attended CIDB training which inlcuded the use of construction templates. Documents in process of being reviewed to finalise a standard template for the respective processes	30 June 2026
		CF6.2	Inefficiencies in SCM processes and inadequate capacity		CC6.2.1	SCM policies and procedures developed and implementation	Satisfactory	Review the SCM structure to increase efficiencies	Currently reviewing the different functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	31 March 2026
					CC6.2.2	Training provided to staff on SCM policies and processes	Satisfactory	Revise RFQ process and relevant delegations	Reviewing of the FPQ processes and the relevant delegations has been started but not yet finalised.	31 March 2026
					CC6.2.3	Templates and SoP's developed	Satisfactory	Procurement of a SCM procurement system	Currently reviewing the different functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	30 June 2026
					CC6.2.4	Physical storage of documents	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC6.2.5	Evaluation committees established	Satisfactory			
					CC6.2.6	Strategic plan linked to procurement	Satisfactory			
					CC6.2.7	Performance monitoring of service providers	Satisfactory			
		CF6.3	Geo-political risks impacting the Rand Exchange rate thereby		CC6.3.1	Bulk purchase of chemicals and consumables	Good	The current mitigation controls are deemed to be adequate.	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			increasing goods imported					Management will monitor the implementation of the current controls to ensure the risk is mitigated		
					CC6.3.2	Contracts allow for CPI increases in prices	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
ERW 7	**Inadequate protection of organisational resources (information, data, etc.) and cyber threats**	CF7.1	Use of Legacy operating systems increases the chances of a cyber attack due to limited vendor support and upgrades	#REF!	CC7.1	Asset Management Policy, Strategy and Disaster Recovery Plan (Cloud back-up)	Good	Appointment of service provider to provide security managed services	The process is at Bid Specification Committee in, preparation to advertise	31 March 2026
							Good	Upgrade Unsupported Operating Systems	Action not yet started. Progress to be reported in quarter 2	30 June 2026
		CF7.2	Inadequate cyber security awareness and behaviour		CC7.2	Quarterly ICT security awareness programs: (News Flash, Induction, Cyber security surveys, Mimecast, cyber behaviour survey upon onboarding, WhatsApp group)	Good	Refer staff to additional training who fail simulations	Action not yet started. Progress to be reported in quarter 2	31 March 2026
								Extend cyber security awareness to 3rd parties and Board members	Action not yet started. Progress to be reported in quarter 2	31 March 2026
		CF7.3	Inadequate Information Security Controls		CC7.3.1	ICT Security Policy and Procedures implemented	Satisfactory	Conduct annual security accreditation verification of IT third providers	Action not yet started. Progress to be reported in quarter 2	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC7.3.2	Access controls based on security groups User profiles defined and reviewed bi-annually	Satisfactory	Disable USB ports excluding laboratory	Action not yet started. Progress to be reported in quarter 2	30 June 2026
					CC7.3.3	User approval provided by relevant management and termination process if no access activity for 30 days	Satisfactory	Implement encryption on laptops	Action not yet started. Progress to be reported in quarter 2	30 June 2026
					CC7.3.4	Point in time access provided to IT service providers	Satisfactory	Upgrade server operational systems	Action not yet started. Progress to be reported in quarter 2	30 June 2026
					CC7.3.5	27001 and database compliance standards compliance by service providers	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.6	Intrusion Detection System to proactively monitors network traffic and system activities to automatically detect and block malicious activity in real-time	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.7	Firewalls implemented act as gatekeepers, controlling and blocking network traffic based on predefined rules to prevent unauthorized access	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								to ensure the risk is mitigated		
					CC7.3.8	Mimecast provides cloud-based email security, archiving, continuity, and data protection services to help businesses manage and protect their email systems from cyber threats like spam, malware, ransomware, and phishing attacks	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.9	Microsoft 365, data is encrypted at rest and in transit, using several strong encryption protocols,	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.10	Multi factor authentication utilised which requires two or more distinct forms of identity verification to grant access to an account or system, adding layers of security beyond just a password	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.11	Quarterly use of Nessus to perform automated security vulnerability scanning to identify software flaws, missing patches, misconfigurations, and other weaknesses in a network's infrastructure, including	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
						servers, devices, and applications, before attackers can exploit them		to ensure the risk is mitigated		
					CC7.3.12	Annual Vulnerability test conducted to probe for and exploit security vulnerabilities in web-based applications, networks and systems and penetration testing which is a simulated cyberattack performed to identify and exploit vulnerabilities in a computer system, network, or application before malicious attackers can	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.13	Access control policy implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC7.3.14	Logical access policy implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
ERW 8	**Occupational hazards that pose a threat to the health and safety of employees**	CF8.1	Non-compliance to safety regulations by staff	#REF!	CC8.1.1	Occupational Health & Safety Policy	Good	Appoint training service providers on a 3 year basis	Progress to be reported in quarter 2	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC8.1.2	Customised training provided to personal as per job requirement Training matrix develop, implemented and monitored	Good	Continuous in house training for defined competencies of Safety Reps	Completed first aid, chemical handling, work permit, fire fighting, confined spaces, and working at heights for various colleagues at Commercial Business. Some of the safety reps attended a conference in Cape Town in August 2025	Quarterly
					CC8.1.3	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 Fall Protection Plan -MS- SOP-SA009 Control of contractors working at ERWAT -MS- SOP-SA0010 HSE Plan	Weak	Conduct awareness workshops on the OHS procedures	Conducted, First aid, SHE Rep, fire fighting and evacuation marshal training for the plant based appointed employees	Quarterly
					CC8.1.4	Monthly District OHS Meeting wherein H&S is on the agenda. Bi-annual Central Safety meetings	Satisfactory	Resolve OHS audit findings	Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The OH&S programme findings are addressed through the district meetings and critical items are included in the	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
									WRAP for budgeting and implementation. These are tracked as part of the WRAP implementation.	
					CC8.1.5	Quarterly reports to Exco PDCA (Plan, do, check, act) and Renumeration and Ethics Committee	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC8.1.6	Occupational Health & Safety Committees(Monthly District Safety Committee, Quarterly Central Safety Committee)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC8.1.7	Safety Awareness Program (Tool box talks)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC8.1.8	Induction of safety conducted	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								to ensure the risk is mitigated		
		CF8.2	Deteriorating workplace condition due to inadequate maintenance		CC8.2.	2025/2026 Maintenance Plan developed and implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
		CF8.3	Exposure to biological and chemical agents		CC8.3.1	Safe Working Procedures and use of PPE as per SoP implemented	Satisfactory	Implement chemical and biological awareness sessions	Relevant personell has been trained and certificates are still valid.	31 March 2026
					CC8.3.2	Waste management procedures implemented	Satisfactory	Conduct occupational hygiene survey for 2 Plants and laboratory	Will be done through an FPQ. Awaiting approval for advertising.	30 June 2026
					CC8.3.3	Medical Surveillance policy and Standard implemented	Satisfactory			
					CC8.3.4	Signage and Safety Datasheets (SDS) placed where hazardous chemicals are stored	Satisfactory			
					CC8.3.5	Health Risk Assessment conducted to identify chemical and biological agents	Satisfactory			
		CF8.4	Inadequate training of staff on safety protocols		CC8.4	Daily toolbox talk Safe working procedures Induction of safety protocols	Good	Appoint training service providers on a 3 year basis	In progress and is being monitored as part of the Quarterly report.	30 June 2026
		CF8.5	Non-compliance to safety regulations by ERWAT		CC8.5.1	Compliance risk management Plan as per OHS completed annually	Good	Implement Action Plans Rrisk Management Plan	Quarterly follow-ups of the OHS Compliance Risk Management.	
					CC8.5.2	Compliance Universe for OHS identified Compliance risk management plan for OHS	Good		OHS is included in the priority key legislation for Board approval	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC8.5.3	Quarterly updates on compliance to regulations provided to Risk Unit	Good		Quarterly OHS Non-Compliances included in the Compliance Report	
		CF8.6	Unauthorised entry to ERWAT properties with the aim of vandalising, threat to lives, theft,(armed robberies)		CC8.6.1	Security Services Policy	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	N/A
					CC8.6.2	Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
					CC8.6.3	Security Awareness Program (Induction, Newsletters, Flash)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	N/A
		CF8.7	Unavailability of Fire Detection & Suppression System for the buildings		CC8.7	None	None	Appoint service provider for installing fire suppressant in laboratory	Action plan has not yet started. To report in quarter 2	30 June 2026
ERW 9	Operational Disruption and Loss of Service Continuity	CF9.1	Plant unavailability factors (e.g. Blockages of components due to foreign objects, Accumulation of sludge at the end of the WWTW (presence of too much vegetation at the contact tank), , Blocked	#REF!	CC9.1.1	Diversion of flow to other processing modules within the plant (12 of 19 plants).	Satisfactory	Develop a SoP for proactive cleaning of process units.	Progress to be reported in quarter 2	31 December 2025
					CC9.1.2	Contract to clean and unblock process units in place	Satisfactory	Restructure of Operations and maintenance division	Progress to be reported in quarter 2	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			PST (Primary Sedimentation Tank), Excessive scum buildup in the Biological Nutrient Removal (BNR).					(heavy equipment unit)		
					CC9.1.3	Utilisation of vacuum trucks to clean and unblock process units (internal function)	Satisfactory	Exploration of advanced technology to enhance operations	Progress to be reported in quarter 2	30 June 2026
					CC9.1.4	Implementation of Standard Operating Procedure for Disinfection	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
		CF9.2	The structural integrity of the biofilters is severely compromised		CC9.2	None	None	Conduct a condition assessment of bio filters	Progress to be reported in quarter 2	31 March 2026
		CF9.3	Non-function of the mixers at the Biological Nutrient Removal		CC9.3	None	None	Develop redundancy plans for infrastructure	Progress to be reported in quarter 2	30 June 2026
		CF9.4	Compromised structural integrity of the drying bed		CC9.4	None	None	Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA) Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats	Progress to be reported in quarter 2	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								4. Anchor 5. Welgedacht		
		CF9.5	Power supply interruptions - Inadequate generators per site (13 of 19 plants have gensets and existing gen-sets do not generate enough to power to operate the entire Wastewater Care Works) & UPS for the Laboratory		CC9.5	None	None	Finalise specifications for appointment of service provider for installation of generators at required sites	Progress to be reported in quarter 2	31 December 2025
		CF9.6	Supply disruptions of treatment chemicals		CC9.6.1.	Alternate chemicals have been identified and procured	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
					CC9.6.2.	Stock levels identified and maintained	Good		Progress to be reported in quarter 2	
		CF9.7	Industrial pollution events , WCW not operating at optimal level (dumping of oil)		CC9.7	Gas Chromatography conducted (organic finger printing)	Weak	Engagement with CoE Water Quality Division for the enforcement of Water By-Laws (resuscitate forum with CoE)	Progress to be reported in quarter 2	31 March 2026
								Investigation of alternate technology to treat industrial	Progress to be reported in quarter 2	Bi-annual

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								effluent (technical forum)		
		CF9.8	Increased expenditure resulting from reliance on alternative power sources during load shedding events.		CC9.8.1.	Maintenance of diesel generators to power the Water Care Works	Satisfactory	Appoint service provider for pilot at Head Office	Progress to be reported in quarter 2	30 June 2026
					CC9.8.2	Renewable Energy Plan developed	Satisfactory	Appoint service provider for pilot at Head Office	Progress to be reported in quarter 2	30 June 2026
								Conduct energy usage audits for WCW	Progress to be reported in quarter 2	30 June 2026
								Develop an Energy Demand Management strategy and Energy audits	Progress to be reported in Quarter 2	30 June 2026
ERW 10	**Lagging digital and innovative ICT systems to respond to the mandate**	CF10.1	Support inefficiencies due to lack of an ERP integration solution	#REF!	CC10.1	Manual collation of data from modules	Weak	Obtain from the shareholder authorisation to procure an alternative system	Action plan not yet started	Quarterly
					CC10.2	Partially implemented modules from ERP system	Weak			
		CF10.2	Inadequate change management		CC10.2	None	None	Develop a Change Management Policy to be implemented	Action plan not yet started	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
			approach may lead to resistance, misalignment, and failure in adopting organizational initiatives.					prior to the roll out of new or enhanced applications		
		CF10.3	Inadequate procurement solution		CC10.3	Use of Solar for generating and managing of purchase orders	Weak	Procurement of a SCM management system	Draft Specifications have been developed	30 June 2026
								Enhance Solar to incorporate purchase requisition (if functionality is available)	Action plan not yet started	30 June 2026
		CF10.4	Inadequate automated records management system		CC10.4.1	File sharing with access rights One drive with access rights	Weak	Explore the Implementation of a document management solution in accordance with the Document Management Policy	A DEMO System to be presented at ICT Steering Committee on the 16 October for consideration.	30 June 2026
					CC10.4.2	Document Management Policy developed and documents have been classified	Weak			
ERW 11	**Workforce gaps creating disconnects between business goals and execution, hampering long-term success**	CF11.1	Changes in legislative requirements impacting on skills requirements of staff (Green drop)	#REF!	CC11.1.1	Skills and professional standard requirements , to uphold standards of water quality and security, in compliance to Regulation 3630 of the Department of Water and Sanitation, have been identified	Satisfactory	Finalise the development of a training plan	Progress to be reported in quarter 2	31 October 2025
					CC11.1.2	Staff that are required to undergo training and professionally register with a recognized institution have been identified	Satisfactory	Train staff to obtain relevant certification as per Regulation 3630	Progress to be reported in quarter 2	As per plan
								Register identified staff with a recognized institution	Progress to be reported in quarter 2	31 December 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								as per Regulation 3630		
		CF11.2	Non- alignment of human capital competency with the organizational goals		CC11.2.1	A Plan has been developed for the roll out of soft skills training to contribute to a positive work environment, enhance team work, communication and interaction amongst staff	Satisfactory	Review of the organizational structure to improve efficiency and effectiveness by aligning roles with strategic goals, enhancing communication, identifying and resolving bottlenecks	Currently in progress with IPAP, SME, Scientific Services and Commercial Business	30 June 2026
					CC11.2.2	Competency assessments conducted to guide employee development, and ensure the workforce can meet current and future organizational goals	Satisfactory	Conduct training of staff as per 2025/26 training plan	Action plan has not yet started. Progress to be reported in quarter 2	Quarterly
					CC11.2.3	Performance assessments conducted and personal developmental plans develop	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	Progress to be reported in quarter 2	
		CF11.3	Remuneration not market related to attract the staff with the required competencies		CC11.3.1	Salary benchmarking conducted 4 years ago	Weak	Conduct benchmarking of renumeration to remain competitive, attract and retain top talent and manage payroll costs effectively.	FPQ in progress for the review of Executive remuneration against the market	30 June 2026
					CC11.3.2	Benefits offered exceed minimum SALGA wage	Satisfactory	Identify critical skills at ERWAT that may	Action plan has not yet started. To commence after approval of structures	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
						agreement		require salaries on a higher notch		
					CC11.3.3	Implementation of notch increase based on years of service	Good	Review job specifications and gradings of identified positions.	FPQ has been finalised for the appointment of external service provider	30 June 2026
ERW 12	**Safety and security threats, including infrastructure theft , vandalism, and harm to personnel (Jeopardise the organisation's ability to safeguard assets, ensure operational integrity, and maintain stakeholder trust).**	CF12.1	Theft and vandalism of parts and harm to personnel at WCW	#REF!	CC12.1	Implementation of the Security Services Policy and implementation of Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures -Diesel Management Procedure	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
		CF12.2	Encroachment of informal settlements on ERWAT property increasing theft of infrastructure		CC12.2	The growth of the informal settlement is monitored and engagements held in CoE	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	
		CF12.3	Extortion by community to be assigned project work		CC12.3	Engagements are held with Local Business Forums, surrounding community and relevant Municipality	Good	The current mitigation controls are deemed to be adequate. Management will monitor the	Progress to be reported in quarter 2	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								implementation of the current controls to ensure the risk is mitigated		
		CF12.4	Community unrest due to failure in delivery of services		CC12.4	Engagements with CoE on potential unrest	Satisfactory	Develop an Emergency Response Plan	Action plan has not yet started. Progress to be reported in quarter 2	31 December 2025 30 September 2025 31 March 2025
		CF12.5	Inadequate security infrastructure and equipment includes fences, access control systems, intruder alarm systems, lack of Perimeter lighting, surveillance cameras		CC12.5	The following security measures are in place: - 12 of 20 sites have electric fencing (5 sites require upgrade to fencing) - cameras are installed at Head Office and-Haartebeestfontein - Hourly patrols are conducted - Access control at entrance to sites - Head office, storage facilities are fitted with intruder alarm systems - Emergency Response times defined - Armed guards and patrol dogs at high risk sites	Satisfactory	Finalise security risk assessment for all the sites and determine security interventions per site to be implemented	Action plan has not yet started. Progress to be reported in quarter 2	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
ERW 13	**Lagging wastewater treatment technology to respond to the mandate**	CF13 .1	Unstructured and delayed uptake of water works digital enhancement solutions	#REF!	CC13.1	Some plants equipped with PLC SCADA	Satisfactory	Roll out PLC SCADA at all ERWAT sites	Progress to be reported in quarter 2	30 June 2026
		CF13 .2	Lack of online / real time monitoring systems and automation .		CC13.2	None	None	Conduct a Digitisation & Digitalisation Readiness Assessment (Innovative Technogym Readiness Assessment)	Progress to be reported in quarter 2	30 June 2026
		CF13 .3	Outdated and underperforming technology to treat high strength industrial effluent due to lack of budget to implement newer technologies(OPS) .		CC13.3	None	None	Appointment of Transactional Advisor by ISA	Progress to be reported in quarter 2	30 June 2026
								Benchmark infrastructure with another similaier instiution	Progress to be reported in quarter 2	30 June 2026
								Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA) Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats	Progress to be reported in quarter 2	30 June 2027

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Progress Report	Action Plan Completion Date
								4. Anchor 5. Welgedacht		

Emerging Risks (Narrative)

There were no emerging risks identified in quarter 1. A Risk Assessment was undertaken in quarter 1.

7. Legislative (only if applicable to your department)

Report on the relevant legislative requirements enforced by the relevant department (e.g., Environmental Legislation).

Legislation	Requirement	Potential Penalty/Impact
1. Municipal Systems Act 32 of 2000	Legal structure of ERWAT	TBR
2. Municipal Finance Management Act 56 of 2003	Financial mismanagement, irregular expenditure	Adverse Audit Opinion
3. Basic Conditions of Employment Act (BCEA), No. 75 of 1997	South African legislation that sets out minimum employment standards	Labour Court Order
3. National Water Act 36 No 107 of 1998	Comply with the 18 WUL conditions. Esther Park exempted from having a Licence	Directives and fines up to R10 million, imprisonment up to 10 years
4. National Environmental Management Act (NEMA)	Protect the environment from pollution	Directives and fines up to R10 million, imprisonment up to 10 years
5. NEMA: Air Quality Act	Requires atmospheric emission licenses, monitoring, and reporting. Threshold **4D1** - Domestic Wastewater Treatment and Discharge Tier1/2 from 2 Million litres/day and **4D2** Industrial Wastewater Treatment and Discharge 1000 cubic metres per day. **4A1** – further investigation	1st conviction fines of R5 million, imprisonment up to 5 years - 2nd conviction fine of R10 million or 10 years
6. Carbon Tax Act	Imposes tax on greenhouse gas emissions above certain thresholds	Carbon tax liability (R159–R190/ton CO_2e escalating), penalties & interest
7. Climate Change Act 57 of 2002 (as amended 2024)	Establishes climate change response obligations, mitigation plans, carbon budgets	To be investigated further

Legislation	Requirement	Potential Penalty/Impact
8. Disaster Management Act	occurrences leading to the declarations of disasters and actions pertaining to reducing the impact of disasters	Section 27(4) is the enabling clause that permits regulations to set out penalties and enforcement mechanisms
9. Occupational Health & Safety Act 85 of 1993	Protects employee health and safety, requires risk assessments, training, PPE, and incident reporting	Fines up to R100,000 per contravention, imprisonment up to 2 years
10. National Energy Act & EPC Regulations	Promotes energy efficiency mandatory Energy Performance Certificates for buildings >1000m².	Fines up to R5m, imprisonment up to 5 years – ERWAT compliant
11.Building Act	Regulates building standards, approvals and safety of infrastructure.	Fines and legal liability

Emerging Risks (Narrative)

8. Key Audit Matters and Progress

ERWAT obtained an unqualified audit opinion with no findings from the AGSA for the 2023/2024 financial year. Eleven (11) findings were included in the ERWAT AGSA Management Report, of which eleven (11) were audit report items. Of these eleven (11) findings, six (6) findings have been finalized, three (3) findings have been good - going as planned, one (1) finding has been okay – manageable issues and one (1) finding have been bad – unmanageable issues.

Operation Clean Audit Progress

The progress on each finding is presented below:

2023/2024 OPCA

No	Finding Heading	Status	Percentage	Action Plan
1	Differences identified between the auditor's recalculation of depreciation amount and the amount recorded in the Fixed Asset Register.	Good – going as planned	80%	1) Adjust the Financial Statements to correct the R852 734 error. 2) Resolve Solar system asset module challenges with BCX.
2	Fruitless and Wasteful Expenditure – The amount disclosed and related narrations are inconsistent	Finalized	100%	1) Management will adjust the financial statements note with the VAT amount.
3	Differences between the Cash Flow amounts and auditor's recalculation	Finalized	100%	1) Management will ensure review procedures are improved upon during the quarterly Financial Statement Preparation.

No	Finding Heading	Status	Percentage	Action Plan
4	Internal control deficiencies in the management of overtime payments	**Good – going as planned**	95%	1) Implement a control to ensure job cards are updated with actual hours worked to be claimed. 2) Improve monitoring controls on the recording of overtime and approvals of payment documentation. 3) Review the Overtime Policy. 4) Prepare and implement Standard Operating Procedures (SOP) for emergency/maintenance work. 5) Finance to check that job cards agree to the claimed hours before processing payment until the control is assessed as effective.
5	Internal control deficiency noted with reported performance information	**Finalized**	100%	1) Performance information procedure to be updated.
6	Consequence Management - Instances of irregular expenditure NOT investigated to determine if someone is responsible for irregular expenditure incurred at year end.	**Good – going as planned**	80%	1) Investigations to be completed and consequence management to take place.
7	Reasonable steps not taken to prevent irregular fruitless and wasteful expenditure	**Finalized**	100%	1) R15 708 444,00 – Irregular Expenditure relating to prior period. No further action is required. 2) R4 698 335,00 – Irregular Expenditure relating to current year. Management will have long-term contracts and follow tender processes for all commodities that were found to be irregular due to splitting if the

No	Finding Heading	Status	Percentage	Action Plan
				requirements cannot be accommodated by the increased R750 000 threshold. ERWAT has consolidated a list of frequently purchased goods and services by all departments. The finalization of long-term contracts is ongoing. 3) R5 906 583,00 – Fruitless and Wasteful Expenditure for the current year. No further action is required until the investigation is complete.
8	Payments for good and services not delivered or benefit not received	**Finalized**	100%	1) Immediate tagging or barcoding of the assets on receipt and timeous updating of the fixed asset register 2) Continuous verification of assets.
9	Invoices from suppliers were not processed for payment within 30 days of receiving the relevant invoice	**Finalized**	100%	1) Officials will be requested to escalate issues to the CFO and the Financial Manager Reporting as soon as the queries are not responded to within a week. 2) The CFO and the Financial Manager Reporting will engage the respective executive manager to resolve any queries on time.
10	General findings on Wastewater Treatment Plants (WWTW)	**Bad – unmanageable issues**	49%	**OPERATIONS** See attached Detailed Progress Report on the following findings that relates to the 6 WWTW. 1. Waterval 2. Rynfield 3. Jan Smuts 4. Hartebeestfontein 5. Herbert Bickley 6. Vlakplaats 
11	Key projects significantly delayed and subsequently halted	**Okay – manageable issues**	60%	1) Vlakplaats Flow Redistribution: The matter is still with the high court.

No	Finding Heading	Status	Percentage	Action Plan
				2) Tertiary Filtration System: Review of Designs and Construction. 3) Capacity Improvement Nerada.

Approved by:

_____ 8 October 2025

Mr. Kennedy Chihota Date
Managing Director