ERWAT: Fourth Quarter Departmental Performance Reporting Template

2024/25 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

1. Executive Summary by the Department

ERWAT focuses on sustainable sanitation service delivery and addressing sanitation service backlogs in the City of Ekurhuleni. Its strategy is driven by two main objectives:

1. **Operational excellence and infrastructure maintenance** to achieve Green Drop Status at all Water Care Works.

2. **Financial sustainability** through commercialization and finance strategy.

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 invests in infrastructure renewal and load-shedding resilience (e.g., generators). 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 4 of 2024/2025 continued to be very good at 90% achievement of reportable targets considered for the performance of the entity. The entity achieved nine (9) out of the ten (10) reportable indicators, which is considered for performance in the fourth quarter of 2024/2025, as shown in Table A, below. There are in total fourteen (14) performance indicators, comprising of one (1) city wide indicator and thirteen (13) departmental indicators. Although all fourteen performance indicators are reported on in 2024/2025, only thirteen (13) are counted when calculating overall performance for periods in this financial year, due to the exemption of the "Total Operating Expenditure as a % of Total Operating Budget" indicator. As a result, one (1) city-wide indicator and nine (9) departmental indicators are reportable for performance in Quarter 4.

Table A: Summary of Service Delivery Performance

Service Delivery Monitoring						
	Total number of targets	**Target exempted *in 2024/2025**	**Total number of targets set for performance measurement in the quarter**	**Achieved**	**Not achieved**	**Variance**
City Wide SDBIP	1	0	1	1	0	0
Department SDBIP	13	1	9	8	1	1

**The target for Total Operating Expenditure as a percentage of Total Operating Budget is exempted in 2024/2025 and is reported on for monitoring purposes only. The outcome of this target is not counted in the performance calculations.*

ERWAT has met the city-wide indicator for wastewater treatment capacity, but the intention remains to improve this by ensuring at least 20% unused capacity, which requires adequate funding. The City of Ekurhuleni has increased the MTREF for ERWAT for its capex programme. Noteworthy is the achievement of an 11% improvement in effluent quality by the entity due to prioritized maintenance and infrastructure renewal. ERWAT continues to align expenditure with achieving Green Drop objectives, protecting the environment and public health. It has also improved procurement practices, supported SMMEs, and achieved strong growth in external revenue generation.

ERWAT is working hard towards closing the gaps in the expenditure of its operating budget, through the acceleration of the recruitment of staff and the joint task team to oversee and expedite project timelines and the maintenance of critical infrastructure. These measures contributed to the improved performance and will continue in the foreseeable future so that the pre-determined targets can be achieved, when this indicator becomes applicable for performance reporting.

ERWAT with the support of City of Ekurhuleni is making good progress towards the feasibility assessment phases of the Mega Catalytic projects, which also forms part of the entity's 50-year master and regionalisation plan to accommodate new developments within the City of Ekurhuleni. Significant progress is expected with the selection of this programme as one of South Africa's Top 7 projects earmarked for project preparation funding, through Infrastructure South Africa. The planned capacity upgrade needs of the Water Care Works are critical for the current backlog in capacity and to make provision for future housing and industrial developments. ERWAT worked hard to close some of the short-term gaps by ensuring the capex budget was spent as planned for the four quarters of the 2024/2025 financial year.

2. Service Delivery Monitoring

2.1 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).

Q4 Target
-50%

Q4 Actual
-43%

Comment
Target is achieved due realistic target setting given the prevailing challenges

Reasons for Variance
Water Care Works received lesser than amounts of daily inflows.

Corrective Measure
Even though the target was achieved the intention is to eliminate completely the negative unused capacity and have at least 20% unused capacity. 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.

2.2 DEPARTMENTAL SDBIP

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

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

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

Q4 Target
R8 470 000

Q4 Actual
R11 777 681

Comment:
Revenue target for Q4 was achieved and exceeded with a positive variance of R3 307 681

Reason for variance
Target for revenue was achieved due to:

1. Current projects that were maintained
2. The City of Ekurhuleni was invoiced for two consecutive months for the water quality monitoring analysis**.**

Remedial action
Maintain the current client base.

KPI 3 – Departmental SDBIP
Audit Opinion

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

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

Q4 Target
N/A

Q4 Actual
N/A

Comment:
N/A

Reason for variance
N/A

Remedial action
N/A

KPI 4 – Departmental SDBIP

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

Method of measure

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

Evidence

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

Q4 Target

75 %

Q4 Actual

86 %

Comment

KPI Achieved

The entity achieved 86% Quarterly target by a positive variance of 11% compared to the 12% positive variance in Q3. This shows the WCWs performance was consistent for both Q3 and Q4, though Q4 compliance showed a 1% drop as compared to Q3. The 1% decrease was mainly due to the low strength raw inflows received; this normally occurs when rainfall is experienced, and the stormwater ingress tends to dilute the raw sewage inflows

Reason for variance:

Although the Quarterly target has been met, the following ongoing challenges are experienced by the WCW operated by ERWAT:

(Also see Section 3.3. Critical equipment failures)

- Industrial pollution
- Power 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 Rynfield, Benoni, Tsakane, Hartebeestfontein, Rondebult, Dekema, Herbert Bickley, Ratanda, Carl Grundling and Esther Park experienced the most critical equipment failures impacting directly on the effluent compliance, average positive variance of 4.33% 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 Q4 2024/2025**	**% of critical equipment not available Q3 2024/2025**
Ancor	8%	0%
Benoni	21%	48%
Carl Grundlingh	12%	0%
Daveyton	0%	2%
Dekema	15%	34%
Esther Park	11%	11%
Hartebeestfontein	18%	38%
Heidelberg	0%	5%
Herbert Bickley	14%	7%
Jan Smuts	0%	2%
JP Marais	0%	7%
Olifantsfontein	3%	7%
Ratanda	13%	4%
Rondebult	18%	13%
Rynfield	32%	32%
Tsakane	19%	21%
Vlakplaats	3%	17%
Waterval	0%	4%
Welgedacht	10%	27%
Average of 19 WCW	**10.35%**	**14.68%**
	2 remain unchanged, 12 improvements and 5 deteriorated.	**2 remain unchanged, 5 improvements and 12 deteriorated.**

The average critical equipment failures between Q4 2024-2025 and Q3 2024-2025 have decreased by about 4.33%.

Power supply interuptions

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 4 impacting the compliance of the WCWs directly. It must be noted that the impact of power outages, have an increasing detrimental impact on the WCW ability to treat wastewater, despite the availability of standby generators. It can be noted that in total 844 hours power failures were experienced on the WCW in Q4, compared to 1193 hours in Q3- a decrease of 349 hours.

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

Plant		Quarter 4 2024/2025				Total hours without power
		Scheduled Load Reduction	Total hours Load Reduction	Power failures	Total hours Power Failures	
Benoni	DD3	1	2	1	15	17
Esther Park	DD3	0	0	0	0	0
Hartebeestfontein	DD3	1	2	9	9	11
Olifantsfontein	DD3	0	0	2	15	15
Rynfield	DD3	1	2	2	18	20
Ancor	DD4	3	7	2	24	31
Daveyton	DD4	4	9	12	62	71
Jan Smuts	DD4	3	4	1	4	8
JP Marais	DD4	6	15	13	66	81
Welgedacht	DD4	0	0	17	27	27
Herbert Bickley	DD5	0	0	12	124	124
Heidelberg	DD5	1	2	26	42	44
Tsakane	DD5	1	2	23	97	99
Ratanda	DD5	1	2	15	97	99
Carl Grundlingh	DD5	0	0	4	20	20
Dekema	DD6	3	15	14	75	90
Rondebult	DD6	1	2	25	70	72
Vlakplaats	DD6	8	14	0	0	14
Waterval	DD6	0	0	0	0	0
Total number of hours without electricity on all impacted Water care Works for Q4.		**34**	**78**	**178**	**766**	**844**

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 Q4; Herbert

Bickley (124), Ratanda (99), Tsakane (99), Dekema (90), JP Marais (81), Rondebult (72), Daveyton (71) and Heidelberg (44).

Industrial pollution incidents:

The industrial pollution is a phenomenon whereby industries (or other users) clean tanks, process units and dump the contents in the sewer lines. Such contents are normally characterised by high concentrated impurities or impurities the WCW wouldn't have been designed for, e.g. vehicle oils or lubricants. Even though ERWAT monitor, sample analyse and report to CoE the industrial pollution received at the various WCW daily, it is often too late to track the source once the pollution enters the WCW, due to the vast sewer networks it should also be noted that even though some of the WCW listed in the Table met the final effluent compliance target, they are still negatively impacted by industrial pollution on specific days

The WCWs (water care works) listed in the Table below received industrial pollution during Quarter 4. 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 Q4 as compared to Q3, as detailed in the Table below.

	Number Of Industrial Pollution Incidents during Q4 2024/2025	Number Of Industrial Pollution Incidents during Q3 2024/2025
Benoni	18	12
Esther Park	12	8
Hartebeestfontein	23	7
Olifantsfontein	50	29
Rynfield	0	0
Ancor	48	6
Daveyton	0	0
Jan Smuts	15	5
JP Marais	0	0
Welgedacht	4	2
Carl Grundlingh	0	0
Heidelberg	37	6
Herbert Bickley	48	26
Ratanda	0	0
Tsakane	0	0
Dekema	0	3
Rondebult	6	3
Vlakplaats	2	1
Waterval	0	7
Total	263	115

Olifantsfontein, Ancor, Herbert Bickley, Heidelberg, and Hartebeestfontein WCW were impacted the most by industrial pollution in Q4, the overall pollution incidents has increased by 148 as compared to Q3..

Intermediate Chemical Supplies

The bid for the supply of chemicals (chlorine) was awarded during Q4 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 91	0 of 91	0 of 91
Esther Park	43 of 91	43 of 91	0 of 91
Hartebeestfontein	9 of 91	9 of 91	0 of 91
Olifantsfontein	7 of 91	7 of 91	0 of 91
Rynfield	14 of 91	14 of 91	0 of 91
Ancor	11 of 91	11 of 91	0 of 91
Daveyton	0 of 91	0 of 91	0 of 91
Jan Smuts	13 of 91	13 of 91	0 of 91
JP Marais	0 of 91	0 of 91	0 of 91
Welgedacht	2 of 91	2 of 91	0 of 91
Carl Grundlingh	0 of 91	0 of 91	0 of 91
Heidelberg	0 of 91	0 of 91	0 of 91
Herbert Bickley	6 of 91	6 of 91	0 of 91
Ratanda	0 of 91	0 of 91	0 of 91
Tsakane	0 of 91	0 of 91	0 of 91
Dekema	0 of 91	0 of 91	0 of 91
Rondebult	0 of 91	0 of 91	0 of 91
Vlakplaats	0 of 91	0 of 91	0 of 91
Waterval	0 of 91	0 of 91	0 of 91

Remedial Action:

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 Q4 2024-2025 and Q3 2024-2025 have decreased by about 4.33%.

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 planned maintenance schedule for all generators will be implemented from Q1 2025/2026.

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.

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.

KPI 5 – Departmental SDBIP

Total Capital Expenditure as a percentage of total capital budget

Method of measure:
This indicator measures the extent to which budgeted capital expenditure has been spent during the financial year. Capital expenditure is all costs incurred by the municipality to acquire, upgrade, and renew physical assets such as property, plants, buildings, technology, or equipment.
Formula: 1) Actual Capital Expenditure / (2) Budgeted Capital Expenditure

Evidence
Dated and signed Finance year to date expenditure report

Q4 Target
95%

Q4 Actual
95.23%

Comments
The target was achieved with a positive variance of 0.23%.

Reasons for variance
Effective project management approach and proper project planning in place.

Remedial action:
None

KPI – 6 Department SDBIP

Percentage of procurement spend allocated to SMME's

Method of measure

The indicator measures the percentage of procurement spend allocated to SMME's through ensuring appropriate application of the preferential procurement practices. This support will be calculated 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).

Q4 Target
60%

Q4 Actual

62%

Comments
Target achieved.

Reason for variance
A positive variance of 2% is noted. Bidders are invited to complete the scoring criteria under the MBD 6.1 form that provides for bidders whose BEE status falls within a EME or QSE.

Remedial action
None

KPI 7 – Departmental SDBIP
Number of Repeat Audit Findings

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

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

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

Q4 Target
N/A

Q4 Actual
N/A

Comment:
N/A

Reason for variance
N/A

Remedial action
N/A

KPI 8 – Departmental SDBIP
Number of Green Drop 6 (90%) wastewater treatment works (Bi-quarterly)

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

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

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

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

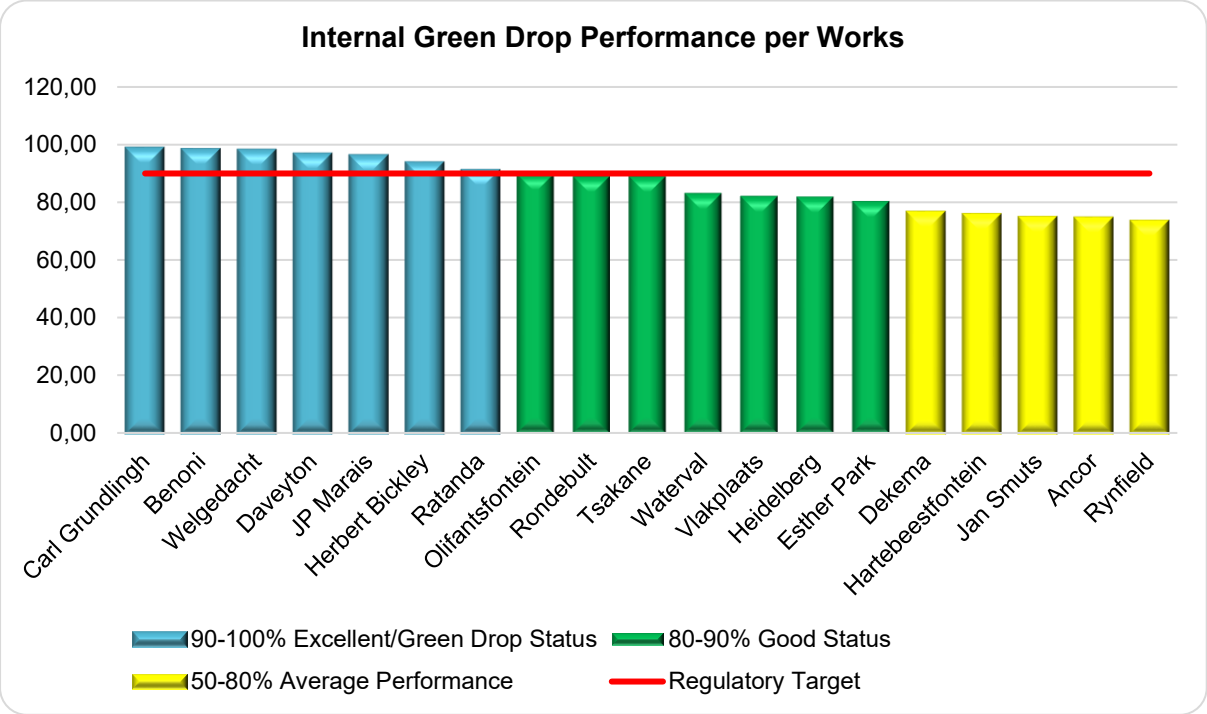
Evidence
The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. Assessment

Q4 Target
6(90)

Q4 Actual
7(90)

Comment:
The target was exceeded.

2024-2025 Q4 Internal Green Drop Performance



The above figure on internal Green Drop performance per WCWs for 2024-2025 (Jan–Jun) period depicts that seven (7) WCWs namely: Carl Grundlingh, Benoni, Welgedacht, Daveyton, JP Marais, Herbert Bickley and Ratanda achieved the 90% Green Drop Regulatory target. Seven (7) WCWs achieved good status, although Rondebult and Tsakane are considered as Green Drop Contenders (disqualified due to microbiological non-compliance). The remaining five (5) are on the average status with Rynfield being the lowest by 73.1%.

Reasons for variance

The target was exceeded due to the following key interventions:

- Approval and adoption of the W2RAP and Sludge Management Plan (SMP).
- Implementation of maintenance plan for the wastewater network and pump stations.
- Conducting process audits on performance and compliance.

- Enforcement of municipal by-laws to regulate discharges into the sewer system.
- Annual inspections and reporting on the sewer network to identify and address infrastructure issues.
- Improvement in water quality compliance, particularly at Welgedacht WCW.

Remedial actions:

Although the target was achieved, continuous improvement efforts are required to sustain and advance toward the Green Drop certification. Key focus areas include, but are not limited to, the following:

- Prioritizing funding to mitigate risks identified in the W2RAP, such as capacity upgrades and the replacement of aged, critical infrastructure.
- Implementing sludge management practices aligned with Water Research Commission (WRC) guidelines.
- Initiating sludge-related projects that promote re-use and beneficiation.
- Launching energy efficiency initiatives across both the wastewater collection and treatment systems.
- Sustaining active participation by the Water Services Authority (WSA) in addressing Green Drop requirements within their mandated scope of service.

KPI 9 – Departmental SDBIP

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

Method of measure:

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

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

Evidence

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

Q4 Target

8%

Q4 Actual

51%

Comment:

Target Achieved

Reasons for variance

A total operating expenditure value of R309 797 528.33 was paid on contracted services (all active contracts that were awarded through the public procurement process) of which R158 495 879.28 were paid to contracted services within the municipal area (COE).

Remedial actions

None

KPI 10 – Departmental SDBIP
Total Operating Expenditure as a percentage of Total Operating Expenditure Budget[1]

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.

Q4 Target
95%

Q4 Actual
85.83%

Comment:
Target not achieved.

Reasons for variance
The negative variance of 9.17% is primarily due to underspending across several expenditure categories, including employee cost, depreciation, interest expense, bulk purchases and general expenditure. These factors resulted in actual operating expenditure of 85.83% against a target of 95%.

Remedial actions:
To improve expenditure performance, closer budget monitoring will be implemented across all departments. This will help ensure that budgeted funds are used as intended, and that corrective action can be taken promptly where underspending is identified.

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

KPI 11 – Departmental SDBIP

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

Method of measure:

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

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

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

Evidence

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

Q4 Target

N/A

Q4 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 12 – Departmental SDBIP

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

Method of measure:

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

Evidence

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

Q4 Target

7%

Q4 Actual

9.91%

Comment:

Target Achieved

Reasons for variance

The positive variance of 2.91% is attributed to increased repairs and maintenance undertaken during the year to proactively address ageing infrastructure and ensure continued asset reliability.

Remedial actions

No remedial action required as the target was exceeded.

KPI 13 – Departmental SDBIP
Percentage of tender cancellations

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

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

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

Q4Target
10%

Q4 Actual
20%

Comment:
Target not achieved

Reasons for variance
A negative variance of 10% due to two bids being cancelled during Quarter 4

Remedial actions:
Internal processes are put in place to monitor validity of bids by keeping a weekly SCM tracker.

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

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

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.

Q4 Target
5%

Q4 Actual
18.48%

Comment:
Target achieved.

Reasons for variance
The significant positive variance of 13.48% in the net surplus margin is primarily due to lower-than-budgeted operating expenditure. Major cost categories such as employee costs, repairs and maintenance, bulk purchases, and general expenses were underspent, with total operating expenditure falling short of the annual target by 9.17%. Additionally, revenue performance exceeded the budget by 3.34%, driven largely by higher than anticipated revenue from "Commercial Business" (19.50% above budget) and "Other Income" (284.19% above budget). These combined factors resulted in a surplus well above the annual target.

Remedial actions:
No remedial action required as the target was exceeded. However, continued monitoring of budget execution is required to avoid underspending in critical areas such as repairs and maintenance.

3.1 City-Wide/Institutional SDBIP 2024/25

Refer to the City-wide SDBIP 2024/25

Table1: City-Wide Indicators

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

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
IDP 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	-40%	-50%	-50%	-43%	7%	Performance expectations were exceeded	Target achieved	Water Care Works received lesser than amounts of daily inflows.	Even though the target was achieved the intention is to eliminate completely the negative unused capacity and have at least 20% unused capacity. To this end more financial resources are required to eliminate any negative unused capacity and create some spare capacity. The capacity upgrade or extension is subject to	CAPEX	

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
				system (total of 19 WCW) .									the implementation of the 50-year regionalisation master plan and the availability of funds for the plan.		

3.2 Entity's SDBIP Score card with Key Performance Areas and Indicators 2024/25

Table 2: Departmental Entity's SDBIP

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
IDP Strategic Objective 2: To build a clean, capable and modernized local state															
Ekurhuleni 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	R34 320 000.00	R8 470 000	R11 777 681	R3 307 681	Performance Achieved	Target achieved	Target for Revenue generated were achieved due to current projects that were maintained, CoE analyses invoiced for two consecutive months.	Maintain current client base	OPEX	
	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
	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	81%	75%	75%	86%	11%	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.	R187 522 230	R180 005 767

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
				or re -graded design hydraulic capacity (available capacity) per WCW for the ERWAT system (total of 19 WCW											
	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%	95%	95.23%	0.23%	Performance expectations were exceeded	Target Achieved	Effective Project Management Approach and proper Project Planning in place.	None	CAPEX	R98 097 511.10
	Improved Quality of Water including Wastewater		3.M Percentage of procurement spend 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%	62%	2%	Performance expectations were exceeded	Target Achieved	Bidders are invited to complete the scoring criteria under the MBD 6.1 form that provides for bidders whose BEE status falls within a EME or QSE.	None	Opex/Capex	R90 666 080.30
	Improved Quality of Water including Wastewater		4.M Number of Repeat Audit Findings	AGSA signed management letter	8 repeat audit findings noted in the AGSA signed management letter for the 2021/2022 regularity audit	0 repeat audit findings noted in the AGSA signed management letter for the 2022/2023	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A

Entity	Outcome	Performance Indicator (Outcome)	Performanc e Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
						regularity audit									
	Improved quality of water including wastewater		6.M Number of Green Drop (90%) wastewater treatment works (Bi-quarterly)	The Green Drop scorecard as released by the internal ERWAT Compliance office (in-house. assessment	6 (90%)	6 (90%)	6 (90%)	7 (90%)	1	Performa nce expectati ons were exceeded	Target Achieved	Target over achieved due to the following: 1 Approval of W2RAP and SMP 2 Implementation of Network and Pump station maintenance plan. 3 Process audit and reporting. 4 Enforcement of By-laws. 5 Annual sewer network inspection and reporting 6 Improvement of Water Quality Compliance (Welgedacht)	Prioritise the CAPEX budget to address the required WCW upgrades, replacement of aged equipment and refurbishment s in line with the W2RAP. Maintain participation by the Water Services Authorities (CoE and LLM) to address Green Drop requirements. 90	OPEX R13 549 017	
	LED1. Growing inclusive local economies		LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically	Signed Expenditure report on municipal operating expenditure spent on contracted services	8%	8%	8%	51%	43%	Performa nce expectati ons were exceeded	Target Achieved	A total operating expenditure value of R309 797 528.33 was paid on contracted services (all active contracts that were awarded	None	OPEX	R158 495 879.28

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
			residing within the municipal area									through the public procurement process) whereof R158 495 879.28 were paid to contracted services within the municipal area (COE).			
	FM1. Enhanced municipal budgeting and budget implementation	FM1.1 Percentage of expenditure against total budget	[2]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%	95%	85.83%	-9.17%	Performance expectations were not met	Target not achieved	The negative variance of 9.17% is primarily due to underspending across several expenditure categories, including employee cost, depreciation, interest expense, bulk purchases and general expenditure. These factors resulted in actual operating expenditure of 85.83% against a target of 95%.	To improve expenditure performance, closer budget monitoring will be implemented across all departments. This will help ensure that budgeted funds are used as intended, and that corrective action can be taken promptly where	OPEX	OPEX

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

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
													underspending is identified.		
	FM4. Improved expenditure management	FM4.1 Percentage change of unauthorised, irregular, fruitless and wasteful expenditure	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,	New KPI	0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A
	FM5. Improved asset management F	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%	7%	7%	9.91%	2.91%	Performance expectations were exceeded	Target achieved	The positive variance of 2.91% is attributed to increased repairs and maintenance undertaken during the year to proactively address ageing infrastructure and ensure continued asset reliability.	None	OPEX	OPEX
	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 was	New KPI	10%	10%	20%	-10%	Performance expectations were not met	Target not achieved	Two bids were cancelled during the period under review.	Internal processes in place to monitor validity of bids by keeping a weekly SCM tracker.	OPEX	N/A

Entity	Outcome	Performance Indicator (Outcome)	Performanc e Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
				recorded, advertised and closed.											
	FM7. Improved revenue and debtors' management	FM7.3 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%	5%	18.48%	13.48%	Performa nce expectati ons were exceeded	Target achieved.	The significant positive variance of 13.48% in the net surplus margin is primarily due to lower-than-budgeted operating expenditure. Major cost categories such as employee costs, repairs and maintenance, bulk purchases, and general expenses were underspent, with total operating expenditure falling short of the annual target by 9.17%. Additionally, revenue performance exceeded the budget by 3.34%, driven largely by higher than anticipated revenue from "Commercial Business" (19.50% above	No remedial action required as the target was exceeded. However, continued monitoring of budget execution is required to avoid underspendin g in critical areas such as repairs and maintenance.	OPEX	OPEX

Entity	Outcome	Performance Indicator (Outcome)	Performanc e Indicator (Output)	Portfolio of Evidence	Baseline (2023/24)	Annual Target (2024/25)	Planned Target Quarter 4	Actual Output Quarter 4	Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Planned Budget Quarter 4	Actual Expenditure Quarter 4
												budget) and "Other Income" (284.19% above budget). These combined factors resulted in a surplus well above the annual target.			

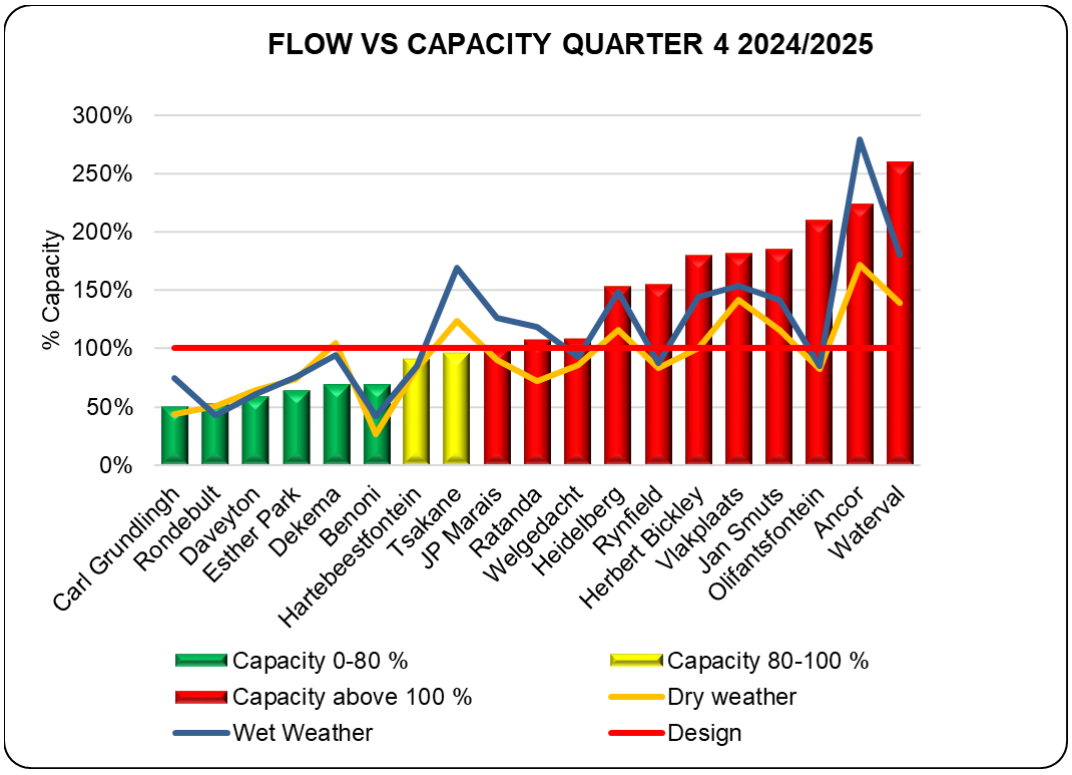
NB: Reflect on the day to day activities that may not be in the Departmental Scorecard but constitute a key mandate of the department. Some of the day to day activities may be in the DH: Scorecards. This may also include the **Mayoral Lekgotla Action Plan, State of the City Pronouncements etc.**

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

3.3.1 Service Delivery Highlights and Challenges

Plant Specific Challenges

Quarterly Flows



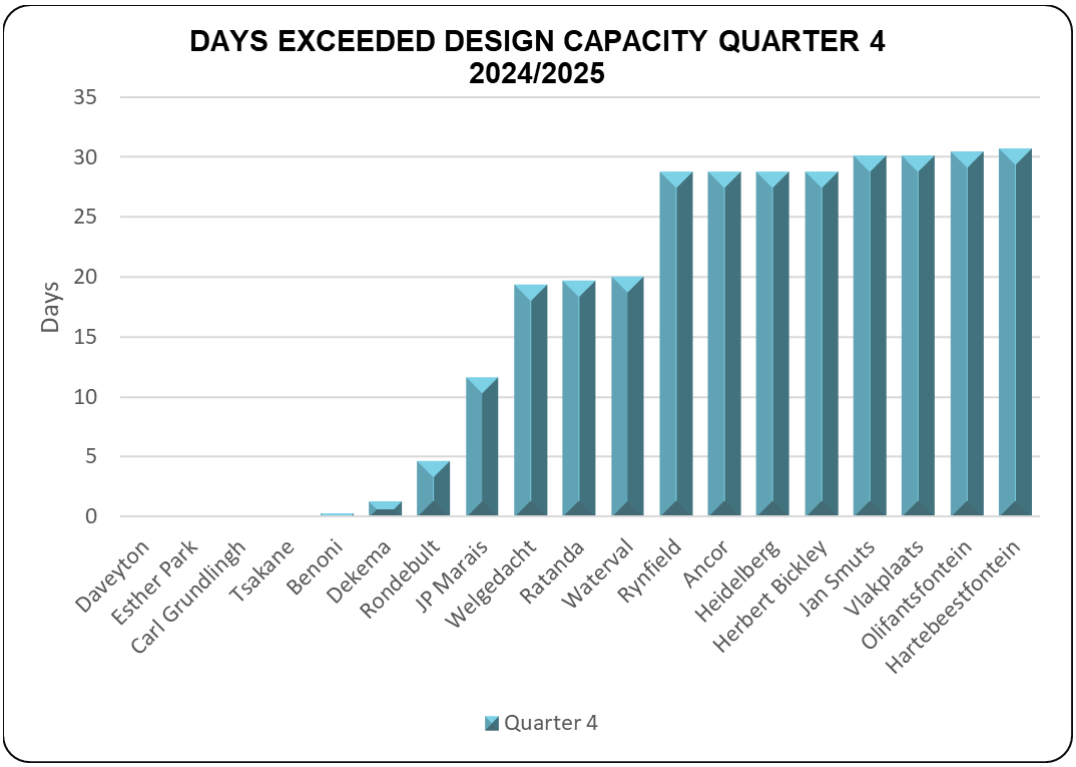


Figure 1: Q4 Flow Records per WCW: Flow vs Design Capacity

Flow and Rainfall

	Design Hydraulic Capacity (Ml/d)	Average Actual Flow Q4 (Ml/d)	Rainfall Q4(mm)
Ancor	15.00	33.46	149.00
Benoni	7.50	5.16	34.00
Carl Grundlingh	5.20	2.57	221.00
Daveyton	19.00	11.11	115.00
Dekema	31.00	21.27	91.00
Esther Park	1.40	0.89	132.00
Hartebeestfontein	63.00	57.11	157.00
Heidelberg	5.40	8.26	57.00
Herbert Bickley	15.10	27.15	86.00
Jan Smuts	6.00	11.08	114.00
JP Marais	15.00	15.03	142.00
Olifantsfontein	65.00	136.19	138.00
Ratanda	4.70	5.04	96.00
Rondebult	20.00	10.50	67.00
Rynfield	9.80	15.16	95.50
Tsakane	20.00	19.28	206.00
Vlakplaats	55.00	99.56	124.00

	Design Hydraulic Capacity (Ml/d)	Average Actual Flow Q4 (Ml/d)	Rainfall Q4(mm)
Waterval	170.00	441.62	56.00
Welgedacht	95.00	102.94	113.50
Total	623.10	1023.38	2194.00

A total of. 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, as compared with Q3 where 88 951.93 Ml was treated in Quarter 3, at an average of 977.49 Ml/day, utilising 156.88% of the available capacity.

As can be noted in the above graph, during Q4 eleven (11) out of nineteen (19) WCW were operating above their hydraulic design capacity, two (2) operating between 80% and 100% and six (6) below their hydraulic design capacity.
In Q4 Waterval operating at 260%, Ancor operated at 223%, Olifantsfontein operated at 210%, Jan Smuts operated at 185%, Vlakplaats operated at 181%, Herbert Bickley operated at 180% Rynfield operated at 155%, Heidelberg operated at 153%, Welgedacht operated at 108% Ratanda operated at 107%, JP Marais operated at 100 % 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 322 098.64Ml was treated in 2024/2025 financial year at an average of 882.46Ml/d.

Organic Load

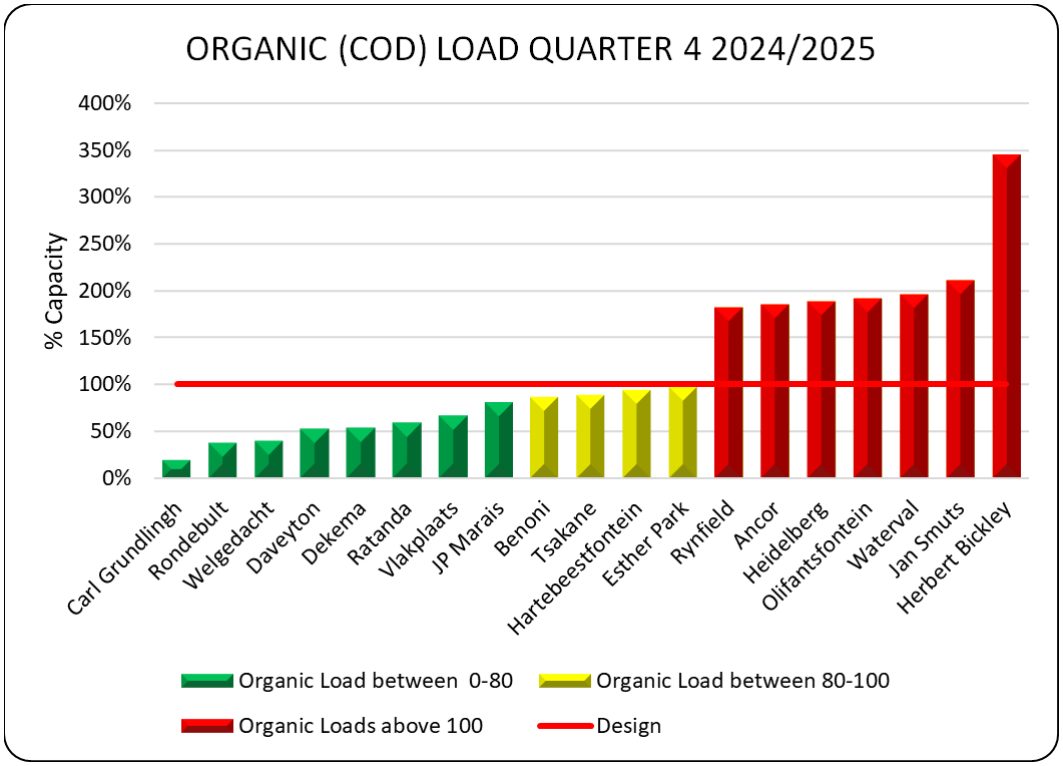


Figure 2: Q4 Organic Loads per WCW

As can be noted, 7 (seven) WCW operated above 100% organic load, 4 (four) operated between 80 and 100% of the organic load and 8 (eight) below their design capacity during Q4 as compared to 6 (six) WCW operated above 100% organic load, 2 (two) operated between 80 and 100% of the organic load and 11 (eleven) below their design capacity during Q3

3.4. Service Delivery Highlights and Challenges

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 Physical = 97% Chemical =100% Micro = 93% The average compliance Target of 90% was reached with aaverage compliance of 97%	Plant operated at 69 % of re-graded hydraulic capacity in Q4	Plant operated at 87% of re-graded organic capacity in Q4 .	There were abnormal flow fluctuations in Q4 , due to Mckenzie Park with no power and APEX pumpstation broken rising main and no power	There was 18 high strength of COD from industrial pollution in Q4	18 Level 3 Equipment failure occurred in Q4	There were a total of 2 power failures. 1 unplanned power failures and 1 Loadshedding which lasted for a duration of 17 hours Q4	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 Q4	None	None	Sludge classification is B2b for drying beds and B2a for stockpiled. Sludge Samples were taken to the Laboratory on 28/02/2025 for analysis of the new sludge classification . Screenings and grits that are generated at the plant, are collected by CoE.	Road is accessible	Portable water is available Portable water shortage was experienced during Randwater planned maintence The plant was equipped with a JoJo tank, which was filled with water in order to assist with

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
																	water shortages.
Esther Park	Esther Park complied with overall WUL effluent standards with compliance of Physical =91% Chemical = 88% Micro = 86% The average compliance target of 84% was Achieved with the overall compliance of 88% in Q4.	Plant operated at 64% of hydraulic capacity.in Q4	Plant operated at 97% of organic capacity in Q4	The plant experienced no abnormal fluctuations inflows in April-June 2025 (Q4) with an average inflow of 0.89Ml/d (64%).	Plant received industrial high strength effluent 12 times out of 90 days during April-June 2025(Q4).	Two Alert Level 3 Equipment failures occurred in Q 4(Compactor, Screw Conveyor	There were 0 power outages April - June 2025 for duration of 0 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
Hartebeestfontein	Hartebeestfontein did not comply with overall WUL effluent standards with compliance of Physical = 78% Chemical = 56% Micro = 37% The average compliance target of 50% was achieved with the overall compliance of 57%	Plant operated at 91% above hydraulic capacity in Q4	Plant operated at 94%% of organic capacity in Q4	The plant did not experienced fluctuations inflows in April, May, June 2025 (Q4) due to limited rainfall	Plant received industrial high strength effluent 26 times out of 92 days) during April, May, June 2025 (Q4)	18 Alert Level 3 Equipment failures occurred in Q4.	There was 1 power outages in). April, May, June 2025 (Q4)	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 blockage of digester feed lines (1-9)	There was 1 veld fires experienced in April, May, June 2025 (Q4)	1251000 kg of dry sludge was irrigated to the 200 hectares farm in Q3	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 April 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
Olifantsfontein	Olifantsfontein complied with overall WUL effluent standards with compliance of Physical = 84% Chemical = 61% Micro = 93% The average compliance target of 60% was Achieved with the overall compliance of 80%	Plant operated at a hydraulic capacity of 210% in Q4 24-25	Plant operated at 191% of organic capacity for Q4 24/25	There were abnormal fluctuations of inflows in Q4 24-25 With ranges of 122.93 - 199.91 Ml/d in Apr 2025, 130.26–154.78 Ml/d in May 2025, and 108.28 – 139.79 Ml/d in Jun 2025.	Plant received industrial high strength effluent (very high Electrical Conductivity above 80 mS/m) with 30 days out of 91 days In Q4. Plant also experiences fine sand ingress, and fats pollution that solidifies in sedimentation tanks as scum.	14 Level 3 Equipment failures occurred in Q4.	There were 2 power outages in Q4	Module 3 Anaerobic digesters and module 1 and 2 reactors.	2 of 6 digesters.	There were no veld fires reported in Q4	Total sludge of 194 512kg of sludge was produced in Q4.	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 March 2024. All sinkholes still not rehabilitated	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), No restrictions and requirements apply 3) Grit and screenings are collected by service provider from the water works to the registered landfill.	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
Rynfield	Rynfield complied with overall WUL effluent standards with compliance of Physical = 100% Chemical = 77% Micro = 56% The average compliance target of 65% was Achieved wi th the overall compliance of 77.6%	Plant operated at 155% of re-graded hydraulic capacity in Q4, which was higher then design capacity.	Plant operated at 181% of re-graded organic capacity for Q4	There were high flows received during the Q4 due to rain. N12	None	0 Level 3 Equipment failures occurred in Q4	There were power outages in Q4 with a duration of 20 hrs.	Pavement, Digesters, Reactor tank and Bio-feeder structures are cracked	3 of 4 digesters are blocked due to defective desludging valves	There was no veld fire incident in the plant in Q4.	Dried sludge is stockpiled at the plant	Unlined sludge paddies, contact tank and maturation ponds could cause possible ground water pollution	None	None	CoE collects screenings and grits from the inlet works. Dried sludge is stockpiled at the plant	None	None
Ancor	Ancor did not complied with overall WUL effluent	Plant operated at 223% of its hydraulic	Plant operated at 185% of organic	Ancor did receive storm water ingress	Plant received high COD industrial effluent in 26	7 Critical equipment failures	There was load-shedding incident during Q4 of	Bio filter flow division boxes partially collapsed,	1 digester blocked with sand and 2 are partially in operation.	No Veld fires occurred during the	Stockpile area not lined. Stockpiles on plant is a	Unlined sludge paddies pollute could cause	Area around humus tanks and final effluent channel are	N/A	CoE/service provider removes solid waste	Access road to the plant is in bad condition	Portable water shortage was experienced

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
	standards with compliance of Physical = 82% Chemical = 73% Micro = 82% The average compliance target of 50% was Achieved with the overall compliance of 79%	capacity in Q3	capacity in Q3.	during week Q3.	out of 91 days.		3 times (7 hrs). And 2 power outages of 24 hrs	humus tanks/ PST's- and digesters structures are crumbling /cracked. Ancor also do not have a chlorine contact tank for disinfection	This causes the plant to run out of sludge handling capacity, which prevent proper desludging and resulting in non-compliances.	week at sludge lands	risk due to veld fires and environmental pollution	underground water	dolomitic according to Geotech study performed.		(screenings and grit).	with lots of potholes.	during Randwater planned maintence The plant was equipped with a JoJo tank, which was filled with water in order to assist with water shortages.
Daveyton	Daveyton complied with overall WUL effluent standards with compliance of	Plant operated at 58% of its hydraulic capacity in Q4.	Sufficient capacity. Plant operated at 52.% of its organic capacity in Q4.	Numerous sewer blockages in the CoE network, pump failures at Etwatwa ext.18	N/A. Domestic only.	14 Level 3 Equipment failures occurred in Q4 which was the Generator at the BNR, BNR fine	16 power failures totalling 71 hours in Q4.	CCT and Inlet works channel sometimes leaking. Do not have direct impact on the	N/A	No veld fires in Q4	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

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
	Physical = 100% Chemical = 98% Micro = 99% The average compliance target of 90% was Achieved with the overall compliance of 99%			pumpstation and potable water supply interruption to Etwatwa due to Rand water maintenance.		screen, chlorine booster pump and Aerators.		operation of the plant at the moment									
JP Marais	JP Marais complied with overall WUL effluent standards with compliance of Physical = 100% Chemical = 95%	Insufficient capacity. Plant operated at 100% of hydraulic capacity	Sufficient capacity. Plant operated at 79% of organic capacity.	None	No industrial effluent incident occurred in Q4	18 Alert level 3 equipment failures occurred in Q4, namely: Chemical pump x 1, RAS pumps x 2, Inlet & Generator changeover units x 6 and	13 unplanned power failure incidents with a total of 66 hours and 6 loadshedding incidents totalling 15hours occurred in Q4	None	N/A	No veld fire incident experienced in Q4.	Sludge pumped to Welgedacht, where it is treated.	Some boreholes polluted. Ongoing monitoring of boreholes.	No dolomitic soil	N/A	CoE and contractor remove solid waste (screenings and grit).	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
	Micro = 92% The average compliance target of 90% was Achieved with the overall compliance of 96%					PST fine screen x1, Inlet works screen x1, Chlorine dosing system x 5, Clarifier bridge x 1 and Irrigation pump x 1											
Welgedacht	Welgedacht complied with overall WUL effluent standards with compliance of Physical = 100% Chemical = 89% Micro = 96% The average compliance	Plant operated at a hydraulic capacity of 108% in Q4 24-25	Sufficient capacity Plant operated at 39% organic capacity. Under Achievement.	During Q4, Works experienced no abnormal flow.	Welgedacht received coloured influent and foreign object 4 times during Q4.	13 critical equipment failures occurred in Q4 2024/25, tripping aerators after power failures, mixers at module 2 reactor Ras pump, PST waste pumps RAS screen and defective gearbox	6 power outages planned power outages which lasted for 11hours and unplanned lasting for 16hours due transformer failure at ESKOM substation.	Module 1 electrical panel for aerators and digesters at module 2	N/A	No veld fires occurred.	None	Unlined Dichlorination channels and Emergency dam	N/A	None	Screenings are removed by an approved contractor to an approved landfill site. This practice does comply with WUL conditions.	Gravel access roads are in very bad condition and very slippery when wet.	No potable water supply to 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
	target of 81% was Achieved with the overall compliance of 95%					bridges for biological clarifier 2.											
Jan Smuts	Jan Smuts compliance of Physical = 92% Chemical = 73% Micro = 74% The average compliance target of 70% was Achieved with the overall compliance of 79 %	Plant operated at 185% of its hydraulic capacity in Q4	Plant operated at 211% of its organic capacity.	91 days of high incoming flws in Q4	Plant received industrial high strength effluent on 15 of the 91 days in Q4	0 critical equipment failures during Q4.	8 Hours of power failure, with 4 hours of loadshedding and 4 hours of unplanned power failure)	Humus Tanks scum boards, digester number 2's wall, drying beds' walls and the bio-filters' feed flow division box/tower.	None	0 fires occurred at Jan Smuts during Q4	Dried sludge is stockpiled on site.	Unlined sludge stockpile area can cause groundwater pollution.	No	No	Screenings are removed by an approved contractor to an approved landfill site. This practice does comply with WUL conditions.	Fair	Portable water 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 ensure readiness

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
																	for any potential water shortages.
Heidelberg	Heidelberg complied with overall WUL effluent standards with compliance of Physical = 99% Chemical = 78% Micro = 96% The average compliance target of 80% was Achieved wi th the overall compliance of 91%	Plant operated at 153% of its hydraulic capacity	Plant operated at 187% of organic capacity	High incoming flows above the design of the 5.4 Ml/d	The plant received high 24 CODs and 12 high NH3s levels that are above the design in the current quarter. 1 coloured effluent was also received	Total critical equipment failure in this quarter is 3,which is made of call-out of the clarifier no.2 at module, call-out to assist with the electricity in the office and call-out to unblock the PST's compactor	Heidelberg had 14 unplanned power outages with a duration of 26 hours. Loadsheddin g was 1 time and 2 hours and 2 planned power outages that lasted for 4. Load reduction was 4 for 12 hours hours. Diesel used was 2491 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/irriga ted to the lands and could potentially contaminate groundwater 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. Potable water shortage was experienced during Randwater planned maintence. Temporary water supply system was installed.

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
Herbert Bickley	Herbert Bickley complied with Physica and Micro WUL effluent standards with compliance of Physical =97% Chemical = 87% Micro = 92% The average compliance target of 80% was Achieved with the overall compliance of 92%	Plant operated at 180% of its hydraulic capacity in Q4	Plant operated at 344% of organic capacity	The Plant is receiving high inflows	48 industrial pollution incidents experienced in Q4	8 Alert level 3 incidents reported in Q4 5x MOD 1 chlorine system fault, Big PST bridge drive fault, RAS pump 3 fault, Biofilter stage 1 fault,	2 Incidents of power failure reported in Q4 which includes 124 hours of unplanned due cable fault	Anaerobic Digester 1,2,3&4	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 waste site.	Access road is Damaged	Portable water shortage was experienced during Randwater planned maintence

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
Tsakane	Tsakane complied with overall WUL effluent standards with compliance of Physical = 98% Chemical = 91% Micro = 76% The average compliance target of 70% was Achieved wi th the overall compliance of 88%	Sufficient capacity. Plant operated at 96% of hydraulic capacity.	Sufficient capacity. Plant operated at 89% of organic capacity.	High incoming flow were experienced at the plant due to high rain fall in Q4 Reticulation pump stations (Rockville and Ext 22 are operational, however Extension 11 is still non-operational.	Plant didn't received industrial pollution. Total of 0 of 91 days	5x Level 3 Equipment failures occurred in Q4, Chlorine power supply, Chlorine PVC pipe, Clarifier bridge #2, Chlorine booster pump and Chlorine dosing system.	Tsakane had X1 unplanned power failure events for 7 hrs, X2 Planned for 11hrs. X1 Load shedding for 2 hours, X16 Load Reduction for 79 hours. Total hrs without electricity= 99hrs	N/A	N/A	No veldfires occurred during Q4	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. Portable water shortage was experienced during Randwater planned maintence
Carl Grundlingh	Carl Grundlingh complied with overall WUL	Plant operated at 49% hydraulic	Plant operated at 19% organic	none	none	None	There was 4 unplanned power with a total of 20 hours	BNR structure	N/A	No veldfires reported in Q4	Land application of sludge is being used	Unlined sludge to land posing ground	None	None	Contractor removes solid waste (screenings and grit).and	Access road to the plant is damaged	There is a water leak that is next to the transformer

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 Physical = 100% Chemical = 100% Micro = 96% The average compliance target of 88% was Achieved wi th the overall compliance of 98%	capacity in Q4	capacity in Q4				outages due a transformer failure at the sub station Q4					water pollution Blocked borehole #3			dispose at licensed solid waste site.	and requires an upgrade.	and the sludge to land area. Portable water shortage was experienced during Randwater planned maintence
Ratanda	Ratanda complied with overall WUL effluent standards with compliance of	Plant operated at 107% % of its hydraulic capacity	Plant operated at 58% organic capacity,	Reduced flow due to blocked manhole next to Heidelberg WCW. Delivery pipe to	None	Generator failure, aerator no 4 failure which was then fixed in June 2025	WCW experienced 1 loadsheddin g event for a duration of 2 hours and 15 unplanned	Drying beds drainage system and chlorine contact tanks are badly	N/A	No veld fires occurred during Q4	Dried sludge is stockpiled on-site, potential groundwater pollution	Unlined sludge ponds and leaking drying beds, potential groundwater pollution	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed	The access road to Ratanda Works is severely damaged and a new-tarred road	No link to the Municipal Potable Water Supply, water transported from

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
	Chemical=95% Physical=99% Micro=97% Average=97% The average compliance target of 85% was Achieved with the overall compliance of 97%			WCW leaking, reported to Lesedi LM, also reduced flow due to Randwater scheduled maintenance			power outages for a duration of 97 hours	leaking structures							solid waste site.	is required urgently	Heidelberg Works and borehole water is used for other domestic purposes
Dekema	Dekema complied with overall WUL effluent standards with compliance of	Plant operated at 69% of hydraulic capacity	Incoming organic concentration was within design organic capacity. Plant operated at	The plant received an average of 20.21ML/d for Q4 and the total rainfall measured for Q4 at the	Plant received inflow that contained industrial effluent with high COD 4 out of 91 days and coloured influent 1	6 x Level 3 Equipment failures occurred in Q4. 3 x 1 Sludge pump. 1 x Electric panel	18 power outages occurred in Q4 for 91 hours in total. 4 x Unplanned power outages for 32 hours, 1 x	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked.	1 out of 12 Anaerobic digesters is blocked	No veld fires occurred during Q4	Sludge pumped to unlined sludge paddies for solar drying and dried sludge spread to land area to	Unlined sludge paddies. Screenings and grit are disposed of to suitable landfill that is lawful	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 season.	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
	Physical = 61% Chemical = 75% Micro = 86% The average compliance target of 75% was not achieved with an overall compliance of 74%		53% organic capacity	plant was 116 mm.	out of 91 days.	1 x Inlet mechanical coarse screen.	Loadshedding for 2 hours and 13 load reduction for 91 hours.				be ploughed into land	according to the NEMA.			Provider screenings and grit transport to authorised landfill site courtesy of CoE		
Rondebult	Rondebult complied with overall WUL effluent standards with compliance of Physical = 96% Chemical = 100%	Plant operated at 53% of hydraulic capacity	Plant operated at 37% organic capacity	The plant received an average of 10.53 ML/d for Q4 and highest flow recorded was 39.7 Ml/d. Total rainfall measuredduring Q4 at the plant	Plant received high COD industrial effluent on 5 of 91 days and NH3 on 1 of 90 days	6 Level 3 Equipment failures occurred in Q4. 2 critical equipment reported during the month of April 2025.	10 x Outages with the total hours of 72 hours occurred during Q4.	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked. Biofilter walls cracked. Brick work of	1 of 6 digesters is blocked	No veld fires occurred during Q3	Sludge pumped to unlined paddies for solar drying and dried sludge spread to land area and ploughed into land. WUL noncomplian	Unlined sludge lagoons, Collection and transportation of screenings, grit disposed of at a registered hazardous waste landfill sites	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 service providers.	The access road in and around the plant are deteriorating and will need attention	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 = 87% The average compliance target of 90% was achieved with the overall compliance of 94%			was 125 mm.		2 critical equipment reported during the month of April 2025. Namely; 1 x Inlet works screw conveyor 1x Humus rycycle pump 13 and 14 4 x Outfall sewer sluice gate.		open channels are unstable, collapsing and cracked. The feed pipe from the primary biofilters to the secondary biofilters has collapsed. The wall 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			t and an audit finding.						

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
								cracks on the surface. Office building cracked and leaking during heavy rainfalls									
Vlakplaats	Vlakplaats didn't comply with overall WUL effluent standards with compliance of Physical = 91% Chemical =79 % Micro = 28 % The average compliance	Plant operated at 181 % of hydraulic capacity. Needs to be upgraded	Plant operated at 66% of organic capacity	The plant received an average of 99.65 ML/d for Q4 and highest flow recorded was 150 Ml/d. Rainfall measured at the plant was 168 mm. Fluctuation of inflow is due to inconsistent	Plant received industrial high strength effluent on 2 of 91 days	18 Level 3 Equipment failures occurred in Q4. - Namely:1 x damaged electrical cable at main supply DBF dosing station 9 x failure of Module 1-4 Level 3 Equipment failures	8 Outages occur (14 hours in total) due to Load reduction.	Office building, Biofilters, Digesters have some cracks.	Most digesters are full of sand and require to be emptied and cleaned. Contractor started cleaning module A digesters	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 site starting from the 1 Feb 2023	Access road to DBF dosing station is slippery during rainy season	7 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
	target of 47% was achieved with the overall compliance of 66 %			Pump stations.		occurred in Q4. 6 x failure of raw sludge pumps 2x failure of Gensets.											
Waterval	Waterval complied with overall WUL effluent standards with compliance of Physical = 95% Chemical = 93% Micro = 92% The average compliance target of 80% was	Plant operated above hydraulic capacity (operated at 260% capacity)	Plant operated at 195% organic capacity.	Average flow of up to 443.1 Ml/day received due to developments and bypasses frpm upstream plants. Total rainfall of 76.0 mm was received in Q4	Plant operated at 75% organic capacity.	19 alert level 3 Critical equipment failures occurred in Q4 2024/2025 Mainly from 3x Pond 7 short circuiting to final effluent, 1x DBF dosing point power failure, 2 x	0 Hours planned blower outage	None	None	0 veld fires at sludge land occurred during Q4	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	

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
	Achieved with the overall compliance of 93%					Blowers tripped, 2 x DAF recirculation pumps blocked, 1 x Module 1-3 screens failure,1 x module 4 screens failure, 2 x clarifiers failure, 1 x Digested sludge pumps failure, 1 x Substandard pump failure, 2 x DAF compressors failure, 1 x Sludge to land pump failure, 2 x Sludge transfer pump failure											

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

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.

The project is on implementation phase

3.5.1.2 The appointment of service provider/s for the supply, delivery and installation of Generators 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 diesel generators to meet the power requirements during load shedding at ERWAT Water Care Works. The purpose of the project is to ensure a reliable and uninterrupted power supply, particularly in areas where grid electricity is unreliable or unavailable. The diesel generators serve as backup power sources during power outages or as primary power supply in off-grid locations.

The project is on implementation phase.

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.

All minor projects are implemented and completed.

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
		Inception	Completed

ITEM NO	PROJECT NAME	PROJECT STAGES	IMPLEMENTATION STATUS
6	Olifantsfontein WCW Upgrade	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.

4 Financial Report

Table 5: Operational expenditure

Description	Revised Budget	Budget Q4	Actual Q4	YTD Budget	YTD Actual	Quarterly Variance	YTD Variance
	R	R	R	R	R	%	%
REVENUE BY SOURCE							
User Charges	1 510 470 206	377 617 552	377 617 552	1 510 470 206	1 510 470 206	0,00%	0,00%
Commercial business - Total	34 320 000	8 470 000	11 777 681	34 320 000	41 012 682	39,05%	19,50%
Other Income	16 000 000	4 800 000	7 255 486	16 000 000	61 471 059	51,16%	284,19%
TOTAL OPERATING REVENUE GENERATED (Excluding capital contributions and transfers)	1 560 790 206	390 887 552	396 650 719	1 560 790 206	1 612 953 947	1,47%	3,34%

Description	Revised Budget	Budget Q4	Actual Q4	YTD Budget	YTD Actual	Quarterly Variance	YTD Variance
	R	R	R	R	R	%	%
EXPENDITURE BY TYPE							
Employee Related Costs - Salaries & Wages	514 506 937	154 352 081	112 130 145	514 506 937	462 948 083	-27,35%	-10,02%
Remuneration of Directors	2 961 078	888 323	190 804	2 961 078	902 313	-78,52%	-69,53%
Bad Debts (Provision for Bad Debts)	1 742 850	522 855	7 958 645	1 742 850	60 066 036	1422,15%	3346,43%
Impairment (gain)/loss	15 000 000	4 500 000	1 954 555	15 000 000	-	-56,57%	-100,00%
Depreciation	120 840 702	36 252 211	25 902 094	120 840 702	104 078 779	-28,55%	-13,87%
Repairs and Maintenance	178 511 196	53 553 359	60 841 415	178 511 196	133 758 296	13,61%	-25,07%
Interest Expense	36 087 769	10 826 331	5 289 903	36 087 769	23 485 515	-51,14%	-34,92%
Bulk purchases	433 122 168	129 936 650	111 517 310	433 122 168	377 871 599	-14,18%	-12,76%
General Expenses - Other	229 741 878	68 922 563	67 873 904	229 741 878	152 189 063	-1,52%	-33,76%
TOTAL OPERATING EXPENDITURE	1 532 514 578	459 754 373	393 658 775	1 532 514 578	1 315 299 684	-14,38%	-14,17%

Analysis of expenditure performance

The total overall underspending in the 4th Quarter can be attributed to the following reasons:

1. Employee related costs: The underspending on employee related costs is primarily due to several factors:
    - Planned appointments not materializing as expected during the financial year;
    - Leave encashment costs were lower than projected due to a change in policy, which now limits payouts to a maximum of 8 days;
    - Overtime costs were reduced in line with recommendations issued by the City;
    - The actuarial valuation for post-employment benefits is scheduled to be performed after year-end and has not yet been accounted for in the current period.

2. Director's remuneration: Under expenditure as the budget provided for 8 Directors, not all vacancies were filled and only 3 Directors remained due to resignations during the year.

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 as well as the interest on the City of Ekurhuleni Service Charges debt that was not budgeted for.

4. Impairment (gain)/loss: The year-end impairment review of assets was still being finalised at the time of submission of this report and therefore the impairment could not be processed as part of this submission. Should the impairment adjustment be significant, this will have an impact on the total operating expenditure of R1 315 299 684 that was reported above.

5. Depreciation: The variance may be attributed to an overestimation in the depreciation budget and the final depreciation charges being lower than anticipated, due to conservative asset lifespan assumptions.

6. Repairs and Maintenance: The under expenditure in repairs and maintenance was as a result of long lead times in procuring some of the materials necessary to carry out the work. The repairs and maintenance budget was fully committed by end of the FY and therefore any outstanding repairs and maintenance work not completed by June 2025 will be rolled over to the first quarter of the new 2025/26 FY. The under expenditure did not affect compliance as the waste water compliance averaged 85% against a target of 75%. In addition, all the WWTWs achieved 7 Green Drops from the internal assessment done against a target of 6 Green Drops.

7. The actual Interest Expenditure incurred was lower than expected due to the recent interest rate cuts and the volatility of the interest rate in general.

8. The actual expenditure on electricity & chemicals is lower than the budget for the year to date primarily due to a delay in appointment in the chemicals contract.

9. Under expenditure on General Expenses is mainly driven by:

- 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 evaluation stage).

- Health, safety and protective clothing: This contract was deemed irregular in by the Auditor General and only lapsed during the third quarter. The expenditure on the transversal contracts was only realised in the fourth quarter however items that ERWAT can procure on this contract were limited to critical PPE and doesn't include all the required PPE, therefore the spending is limited to those items. There were also delays in delivery by the service providers on the transversal contract resulting in the PO being rolled over to the next financial year.

- 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: This contract was only awarded in the third quarter therefore monies could not be expended as planned.

- Laboratory charges: During the 2024/2025 financial year, the laboratory significantly reduced testing for the Operations Department due to laboratory temperature management issues related to damaged HVAC equipment. Due to less testing performed by the laboratory, less resources were procured. It is anticipated that the HVAC will be repaired and that normal testing will resume during 2025/2026.

- The year-end provision of for Actuarial gains/losses was still being finalised at the time of submission of this report and therefore the provision could not be processed as part of this submission. Should the provision adjustment be significant, this will have an impact on the total operating expenditure of R1 315 299 684 that was reported above.

Table 6: Capital expenditure

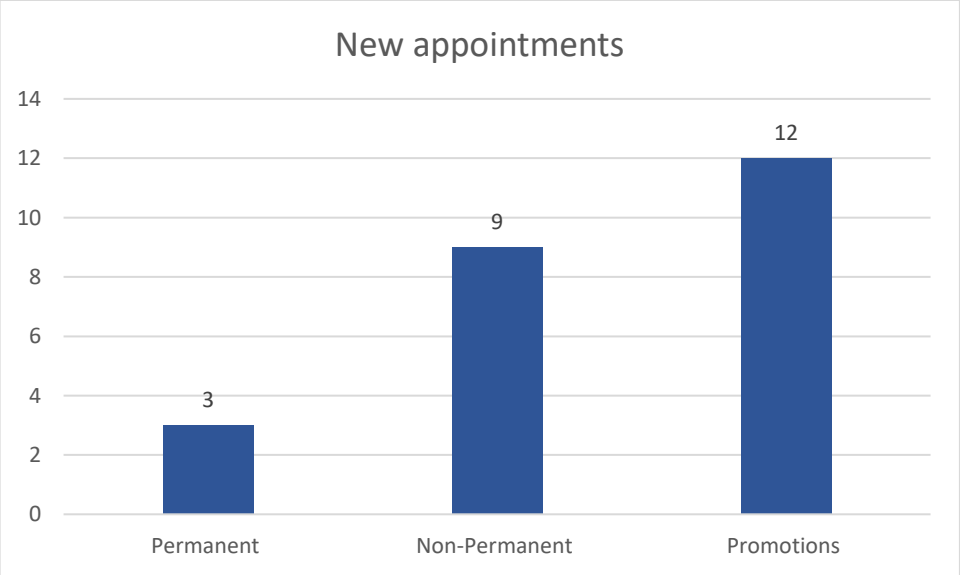
Project Detail	Total Original Budget	Total Revised Budget (applicable only after Adjustment)	Budget for Quarter	Actual for Quarter	Variance	Total Budget for the year	Actual for FY (Yr. to date)	Variance for year (Yr. to date)	% Completion
CAPITAL PROJECTS	**R95 000 000.00**	**R103 260 538,00**	**R98 097 511,10**	**R98 333 439,07**	**R 235 927,97**	**R103 260 538,00**	**R98 333 439,07**	**+0.23%**	**95.23%**

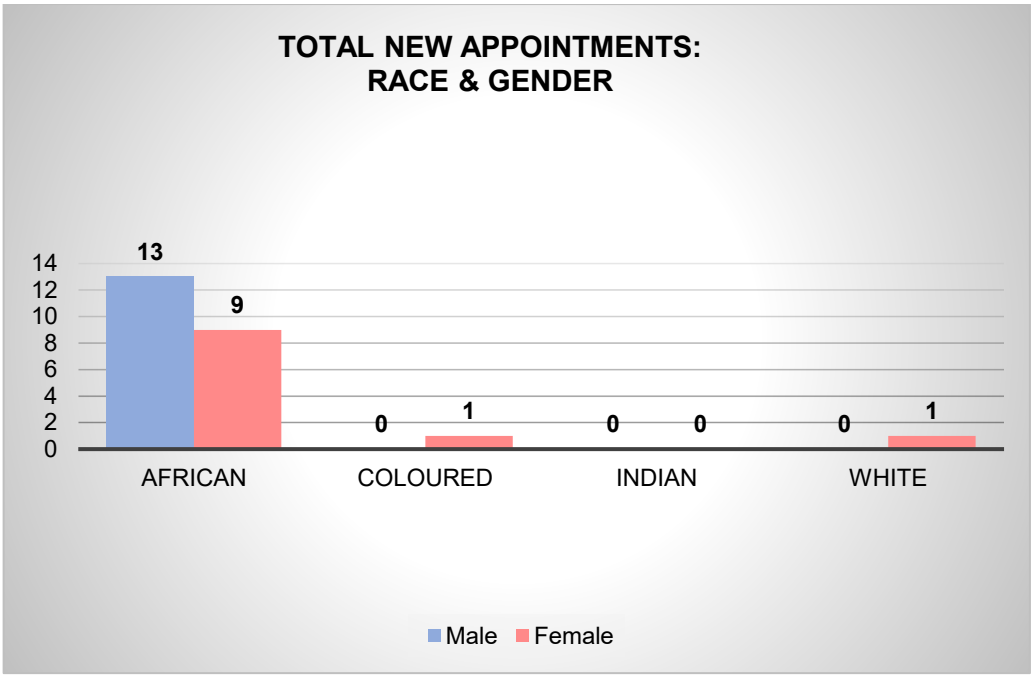
5 Human Resources

Staff Movements

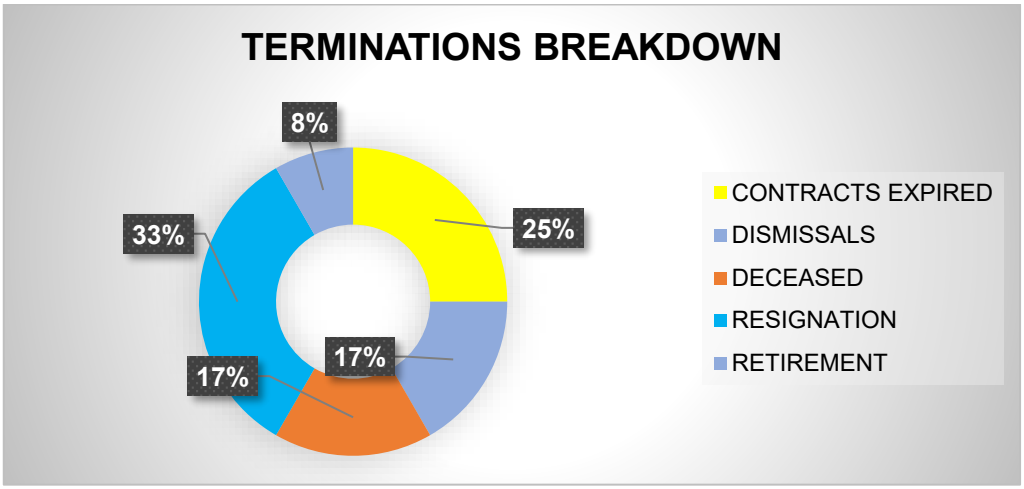
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	5	5	0	1	0	0	0	1	12
Resignations	0	4	0	0	0	0	0	0	4
Retirements	1	0	0	0	0	0	0	0	1
Contract Expired	1	0	0	1	0	0	0	1	3
Dismissals	1	0	1	0	0	0	0	0	2
Deceased	1	1	0	0	0	0	0	0	2
Promotions	8	4	0	0	0	0	0	0	12

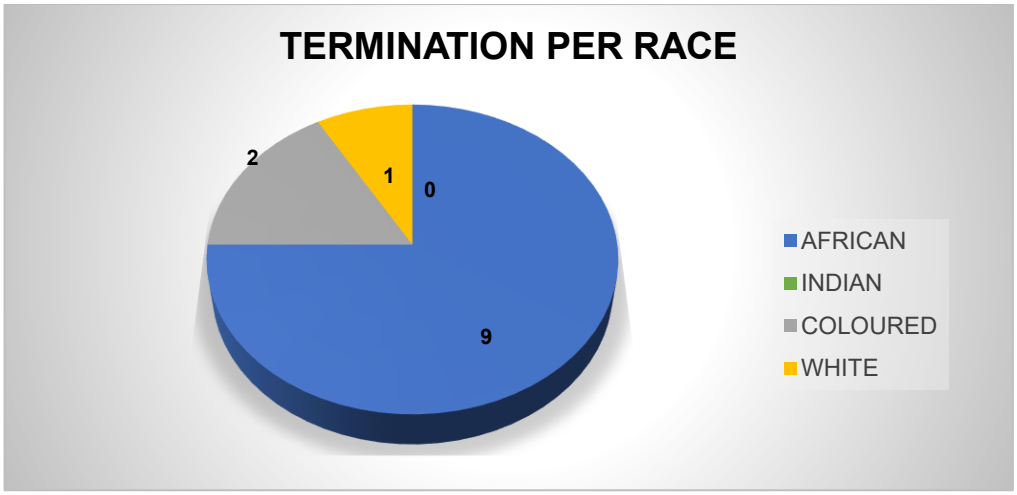
4.1.1 Appointments





4.1.2 Terminations

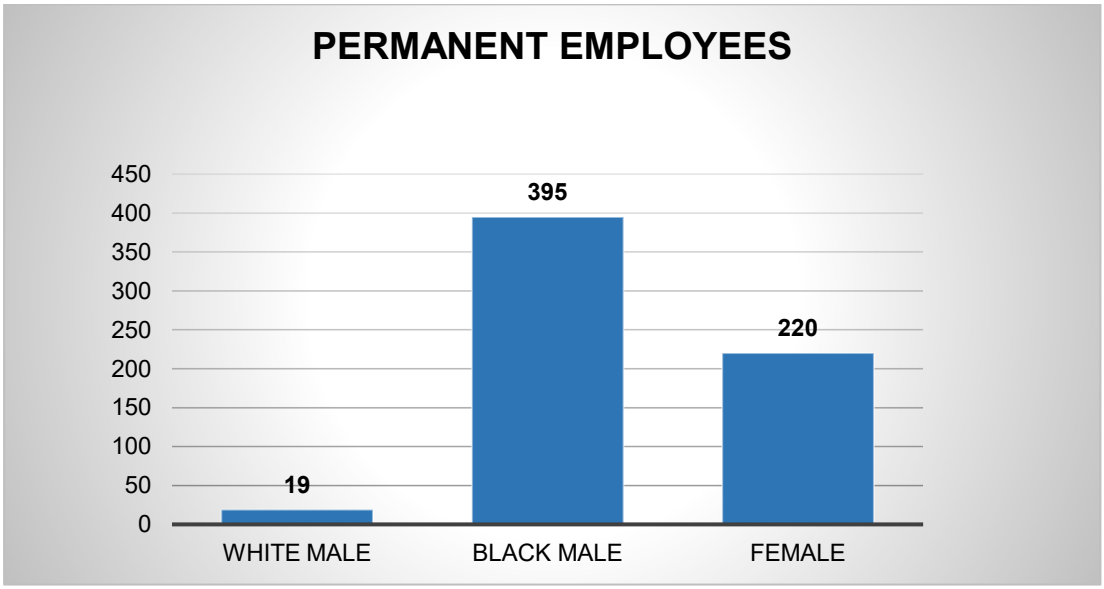




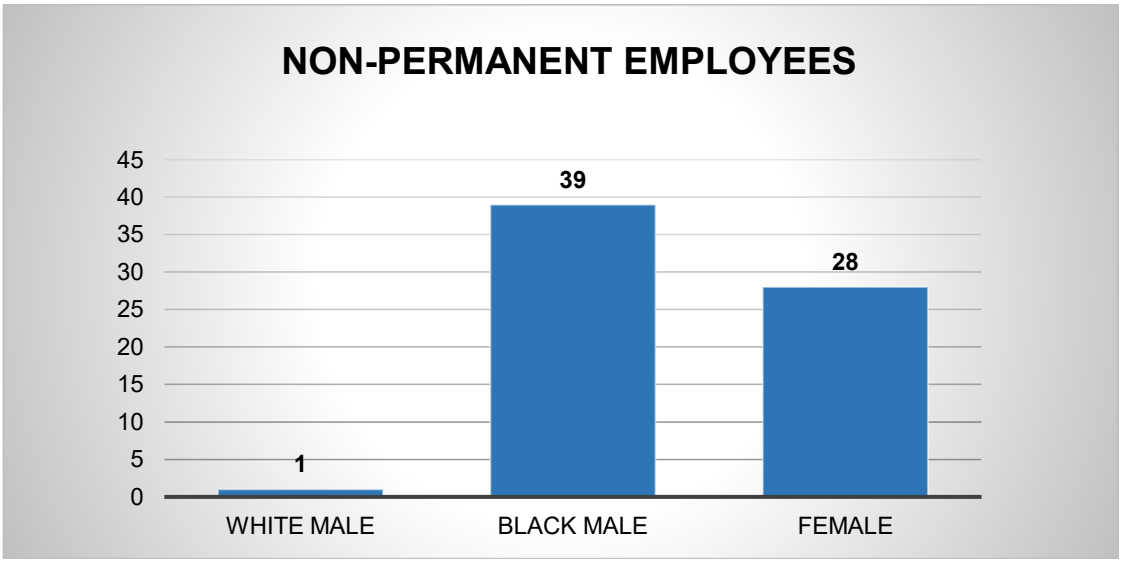
Status Analysis

- During the period under review, 12 employees were appointed.
- During the period under review, 12 employees exited the organisation for the following reasons:
    - 3 contracts expired.
    - 4 employees resigned.
    - 2 employees passed away
    - 2 employees were dismissed and
    - 1 employee went on retirement during the period under review

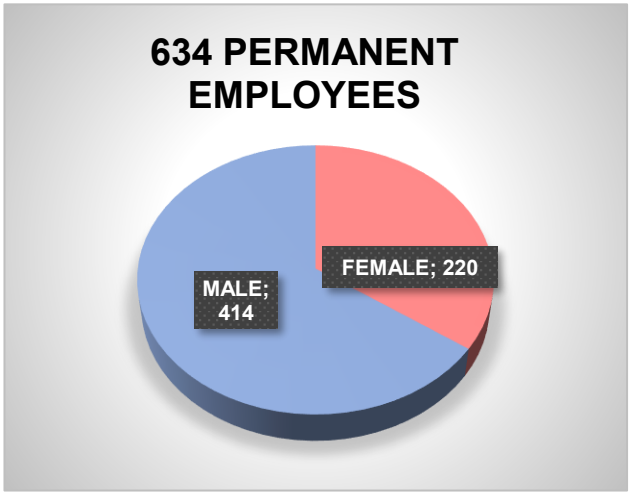
4.2 Employment Equity Demographics

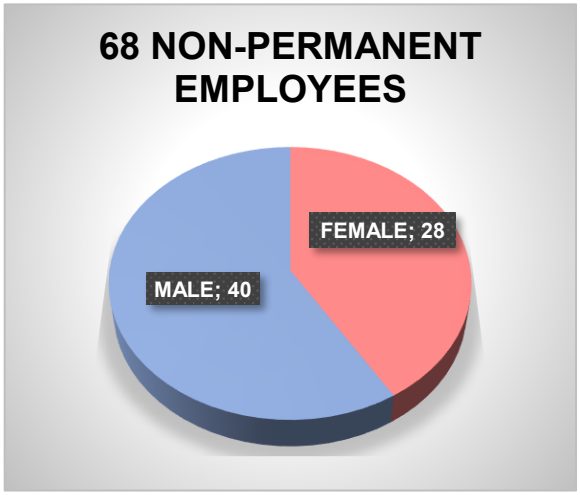


ERWAT has **634** permanent employees.



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





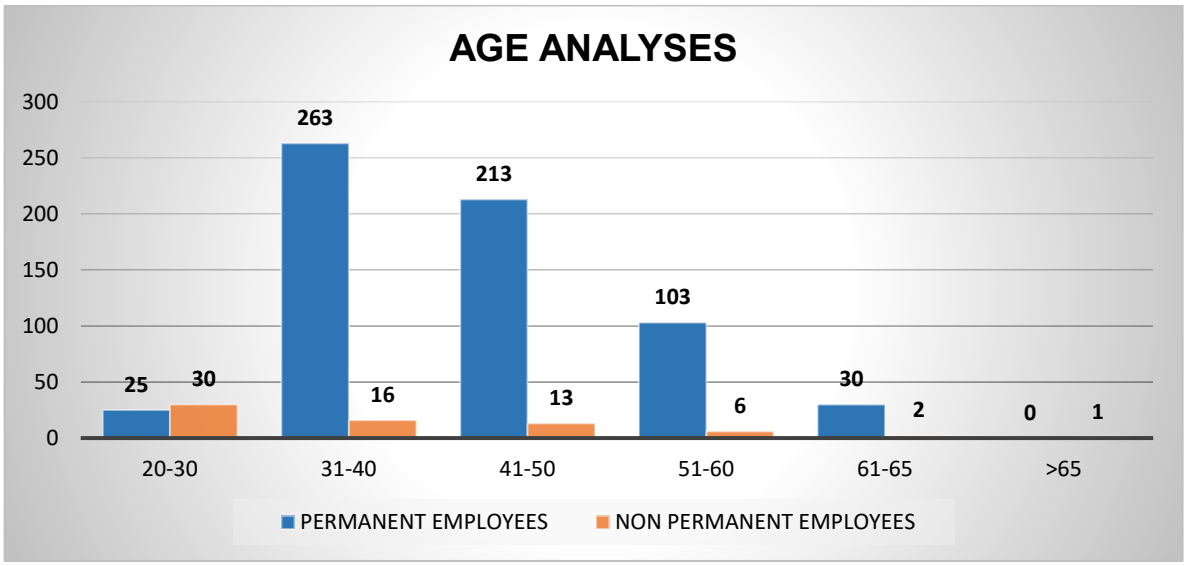
Status Analysis

- The employment demographics of ERWAT as at 30 June 2025 reflects:
    - Females in both permanent and non-permanent positions within ERWAT account for 248 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.

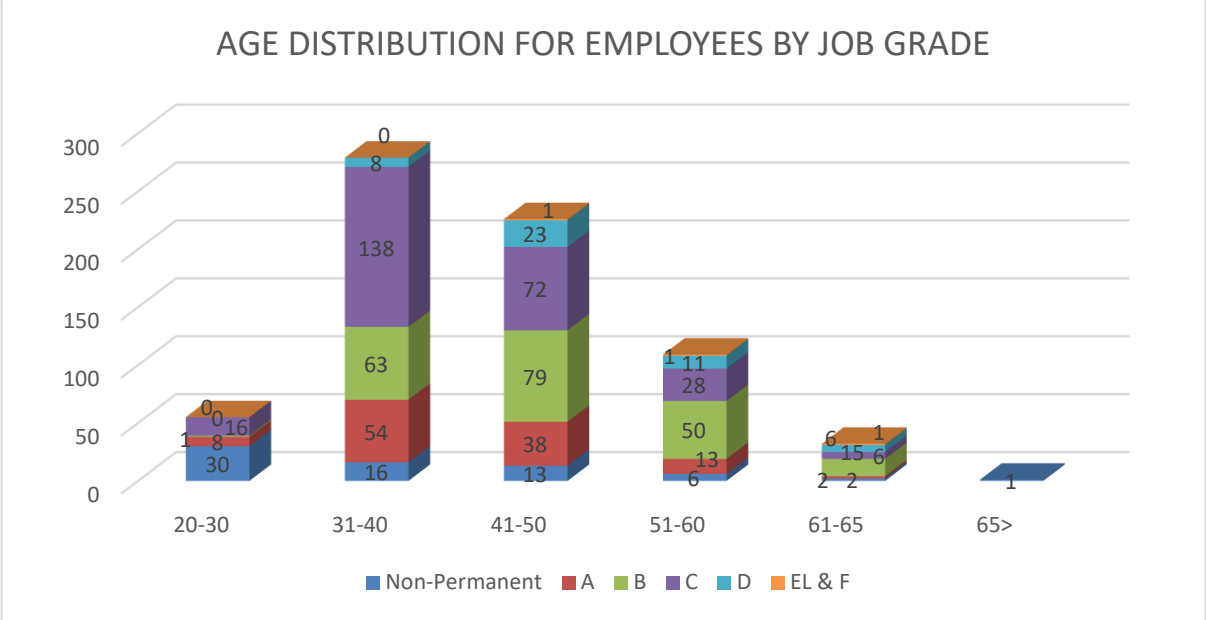
4.3 Employment Equity Update

The Employment Equity Committee met on 11 August 2024 to align the Employment Equity recommendations with positions advertised at the beginning of quarter 1.

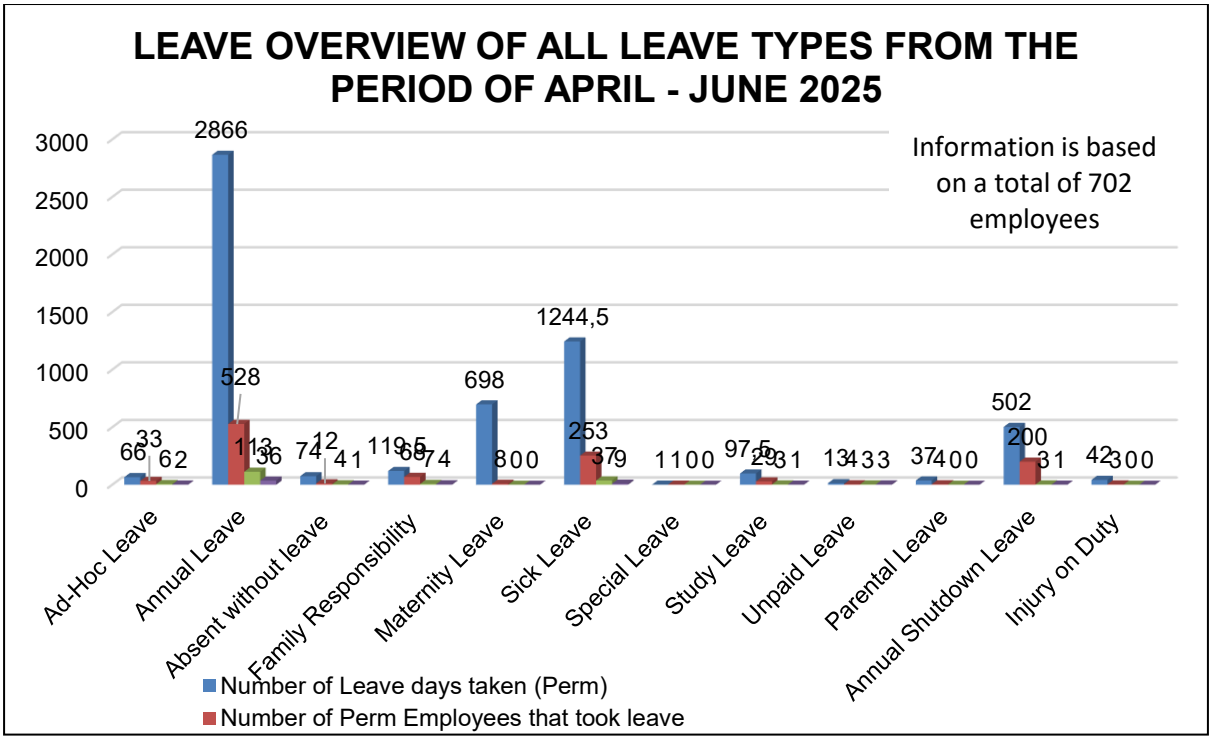
Age Analysis



- Average age as at 06/2025 = 36



4.4 Leave Management



Status Analysis

- Total number of employees who took sick leave during the period under review are 260. The total sick leave taken equates to an approximate minimum of 4 days per employees.

4.5 Overtime Trends

		Quarter 1		Quarter 2		Quarter 3		Quarter 4	
Department	**Budget**	**Hours**	**Expenditure**	**Hours**	**Expenditure (incl. backpay)**	**Hours**	**Expenditure**	**Hours**	**Expenditure**
Office of the MD (incl. Security)	25 9041,1	188,50	74 179,62	180,90	76 554,57	182	74 928.64	164	70 617.8
Company Secretariat	35 419,5	0	0	0	0	0	0	0	0
Financial Services	158 766,18	188,50	65 300,55	100,00	35 701,63	32.5	12 809.62	14.5	5 847.52
Human Resources	9 536,00	0	0	0	0	0	0	0	0
Strategy, Monitoring and Evaluation	15 729,00	0	0	0	0	0	0	0	0
Maintenance	4 498 678,58	4 509,50	1 236 464,84	3 639,00	1 109 318,83	2 996.5	926 202.53	1 599.03	813 741.89
IPAP	15 173,33	39,00	14 519,93	0	653,40	0	0	0	0
Scientific Services (incl. R&D)	2 341 354,83	1 780,50	553 298,08	1 853,50	630 459,31	1 939	655 951.37	2 166.67	721 639.54
Commercial Business	1 917 071,12	3 038,50	537 499,20	2 702,50	479 571,92	3 209	587 514.05	3 370	627 469.54
Operations	6 138 058,28	9 383,50	2 142 670,97	8 209,00	2 009 186,89	8 593	2 137 151.37	7 329.95	2 137 151.37
Total	**15 388 827,92**	**19 128,00**	**4 623 933,19**	**16 684,90**	**4 341 446,55**	**16 952**	**4 394 557.24**	**14 644.15**	**4 376 467.2**

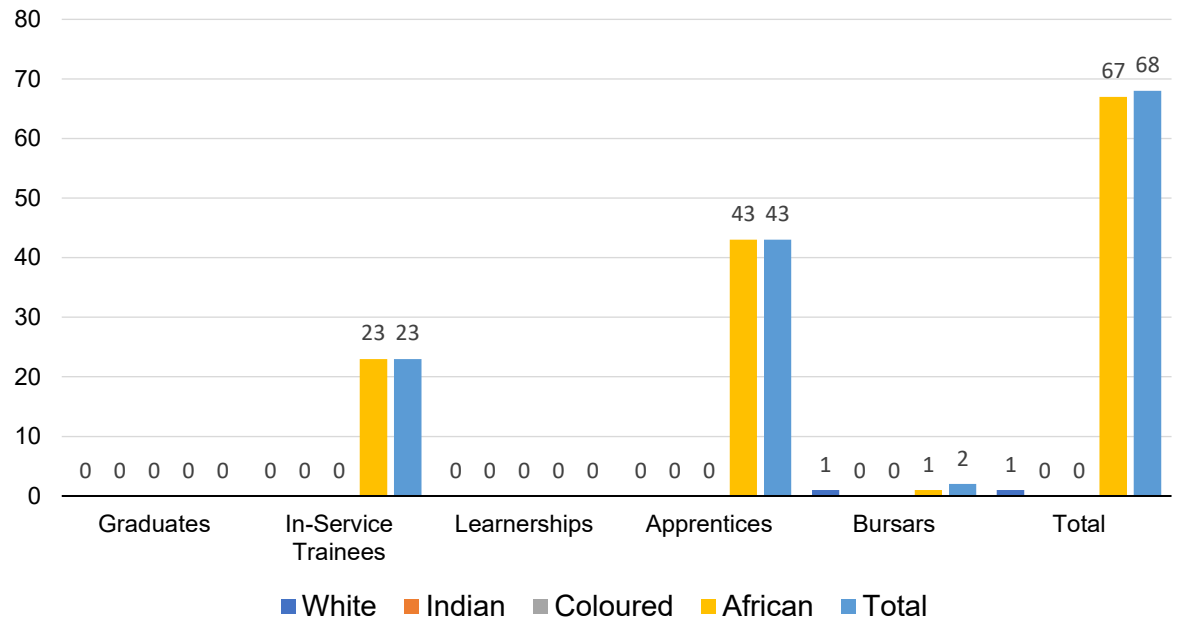
- *Overtime is monitored and approved by management, as per the needs of the various business units.*

4.6 Training and Development

The reporting period saw **339 employees** attending compliance training workshops, namely:

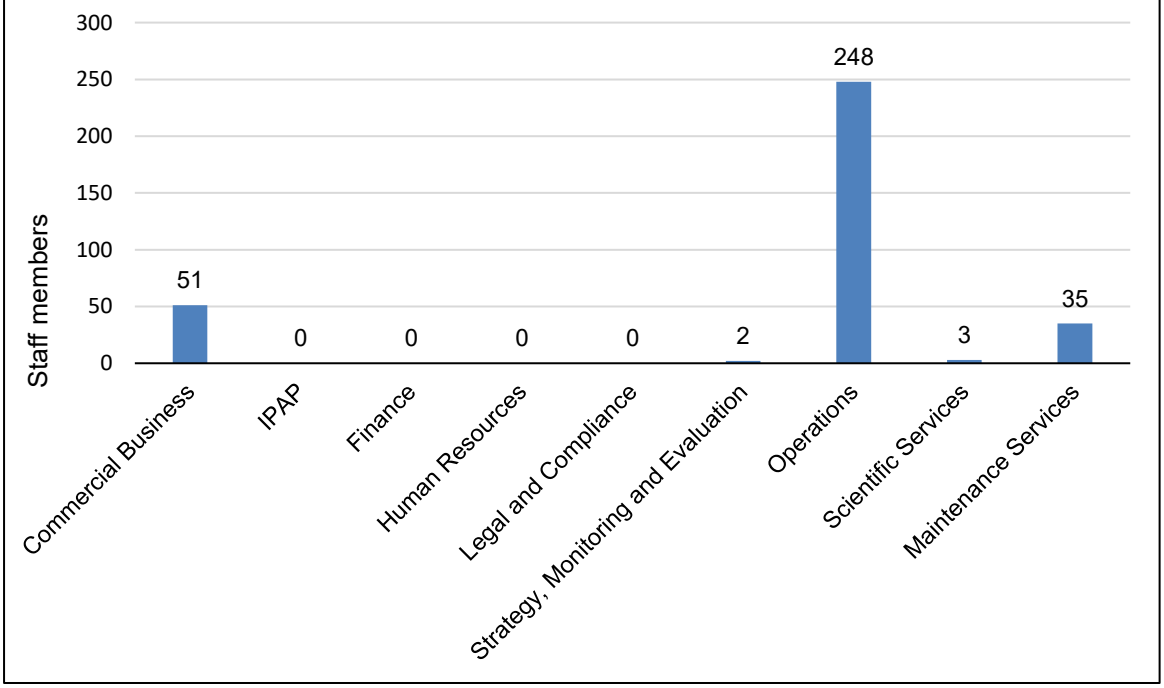
- First Aid Level 1
- Fire fighting
- Truck Operator
- Working at Heights
- Confined Space Entry
- HazChem
- 11 – Permit to Work
- 31 – Wellness Champions workshops
- 137—Chlorine Handling Training

Figure: 16



- **Inservice trainees:** We have **23 trainees** based at Commercial Business and **3 trainees** at Scientific Services.
- **Apprentices**: We have **43 Apprentices** from **SEIFSA** based at Various ERWAT plants.
- **Bursars:** We have **2 external bursary** beneficiaries.

Figure: 17

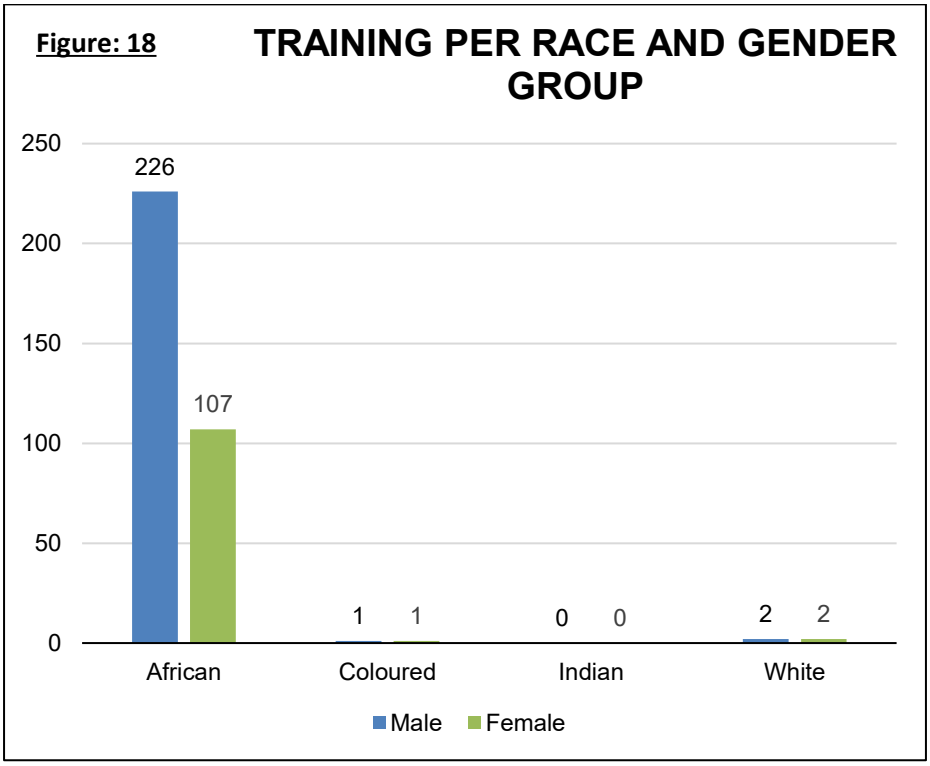


Report on performance in respect of the Skills development plans (narrative).

- 17 - First Aid Level 1
- 28 - Fire fighting
- 8 – Truck Operator
- 87 – Working at Heights
- 12 – Confined Space Entry
- 8 – HazChem
- 11 – Permit to Work
- 31 – Wellness Champions workshops
- 137—Chlorine Handling Training

Training per race and gender to date.

Figure: 18



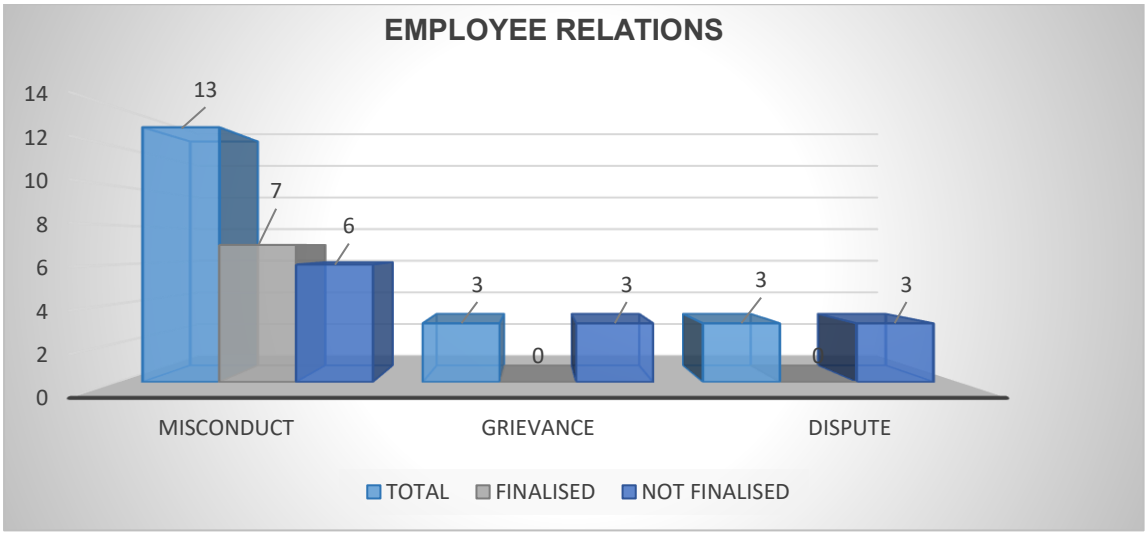
- 276 African Male
- 107 African Female
- 1 Coloured Male
- 1 Coloured Female
- 2 White Male
- 2 White Female

4.7 Performance Management

Year End 2023/2024 and Mid-Year 2024/2025 evaluations were completed in Quarter 3 of the 2024/2025 Financial Year.

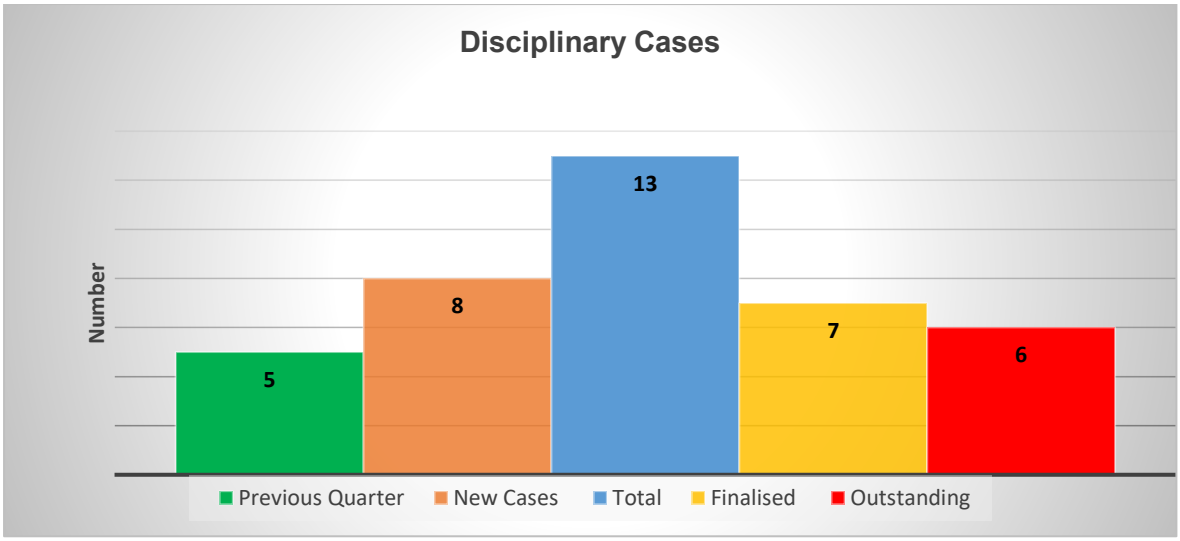
4.8 Employee Relations

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.



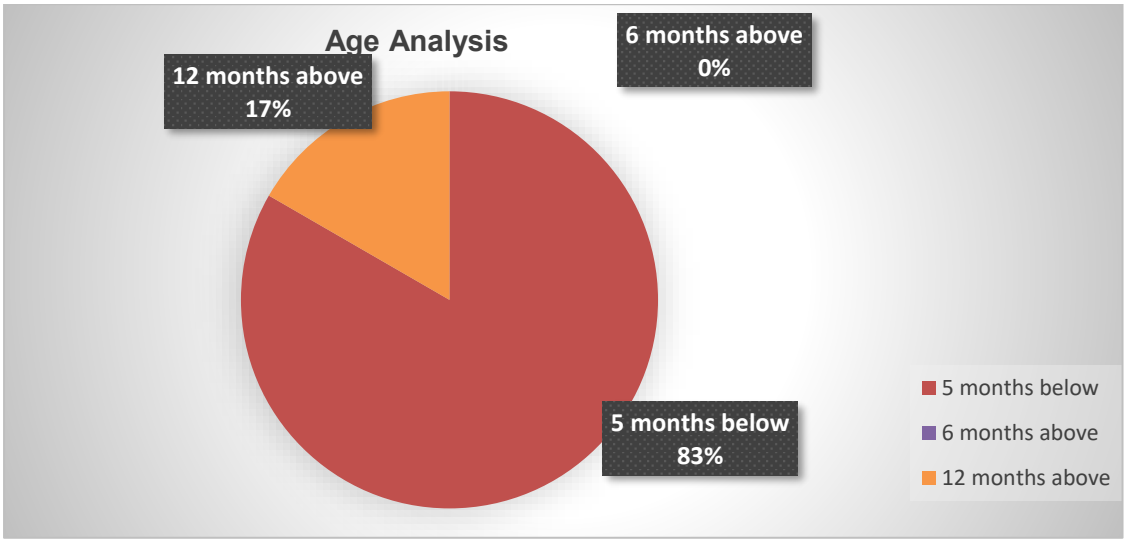
4.8.1. Disciplinary Cases

- Five (5) cases were not concluded in the previous quarter, hence brought forward.
- Eight (8) new cases were received; the total for all disciplinary cases is thirteen (13). The total number of cases finalized is seven (7), with a remaining balance of six (6) cases outstanding.



4.8.2. Age Analysis of Disciplinary Cases

- The age analysis of the six (6) cases outstanding, 83% are below five (5) months, and 17% are above twelve (12) months old.



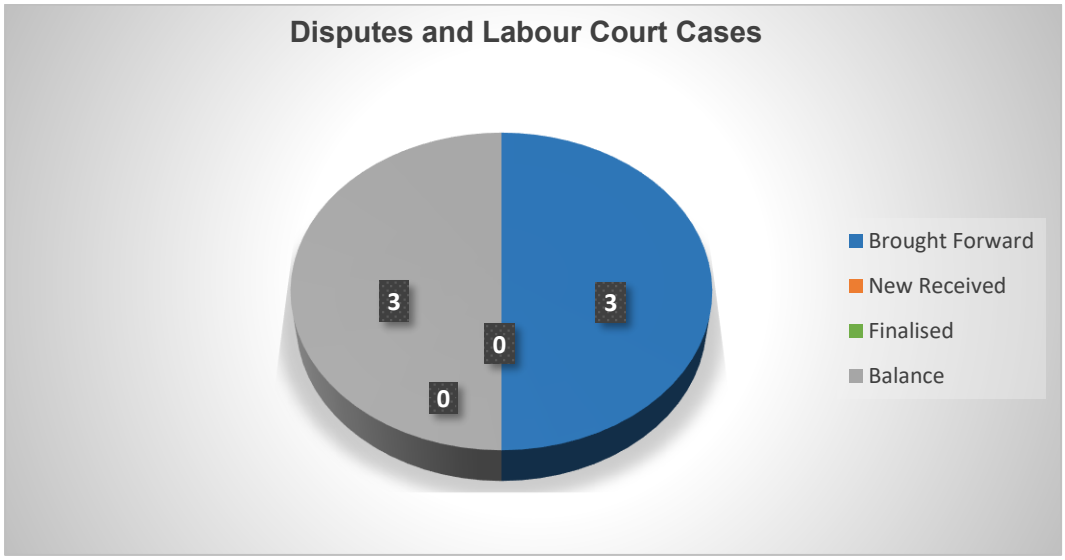
The age analysis of the six (6) outstanding cases is as follows:

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

- Cases that are more than twelve (12) months old = 1

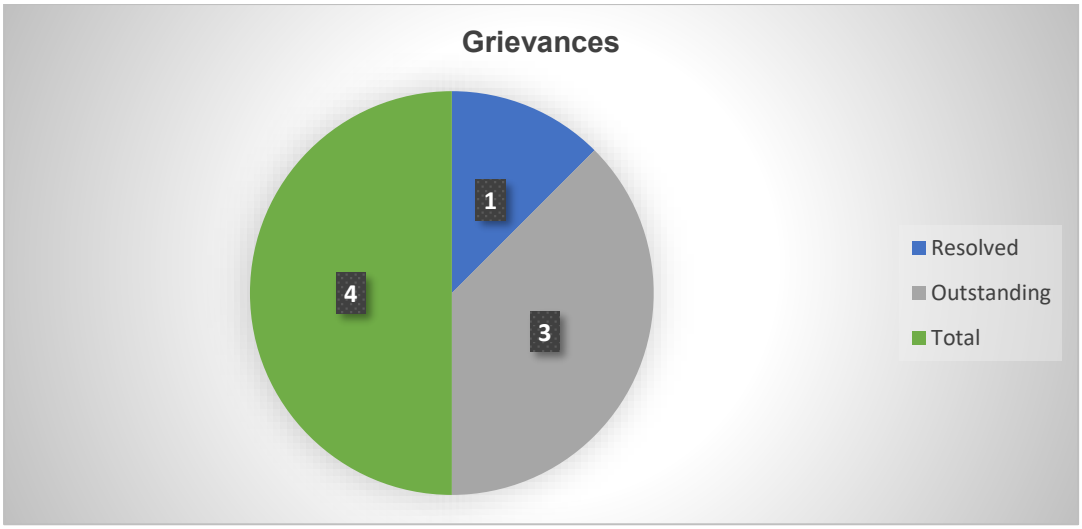
4.8.3. Disputes, Arbitrations & Labour Court Cases

- 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 Q4, with three (3) cases still pending

4.8.4. Grievances



The total grievances outstanding is three (3).

4.8.5. Suspensions

There is no suspension for the period under review.

4.8 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 Laboratory and Head Office.
- The core function of the WC is to assist the Occupational Health Nurse 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 – Q4,
  - ✓ Wellness day was held at Vlakplaats on 09 May 2025 for DD6 Plants, where the annual event is arranged by ERWAT Health Services, facilitated by Discovery Health and 3Sixty Global Solutions Group. 43 employees were screened with 60 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 medical aids 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 in Auditorium from 20 to 22 May 2025, where it was facilitated by OHNPs (In-house), topics covered were Drug and substance abuse and Emotional Intelligence.

4.10 Percentage of Salary to OPEX.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD – Actual
Total Manpower Cost	104 489 989.00	129 300 322,00	117 739 136,00	112 285 333,00	**463 814 780,00**
Total Opex	253 717 922.00	366 221 128,87	301 701 857,66	291 522 343,77	**1 213 163 252,30**
% of Salary to Opex	**41%**	**39%**	**39%**	**39%**	**38%**

Note: The ratio between the % of Salary to the Operational Expenditure are influenced by the total expenditure for the Quarter, 39% seems high, but it is reflective of the under expenditure of the OPEX budget for the Quarter.

6 Procurement Practices, Job Creation and Mainstreaming

A total of 2 bids were concluded during Quarter 4, of which one of the bids was awarded to multiple service providers.

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

1.1 Nine (9) bidders were awarded contracts with HDI ownership levels ranging between 18 % to 100%.

1.2 Three (3) bidders were awarded contracts with Black Women ownership levels of 100%.

1.3 Three (3) bidders were awarded contracts with youth ownership levels ranging between 66.66% to 100%.

1.4 Seven (7) bidders were awarded contracts that falls within the EME B-BBEE scorecard.

1.5 Two (2) bidder was awarded a contract that falls within the QSE B-BBEE scorecard.

1.6 Nine (9) service providers were appointed whereof two (2) are situated within the City of Ekurhuleni area and seven (7) fall outside the CoE area.

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.

2 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.

#: **This report is against the risks identified in the Business Plans**

Table 11: Risk Assessment

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
ERW 1	Inadequate infrastructure to treat wastewater	CF1.3	'a) Outdated, aging and inadequate infrastructure to treat high strength industrial effluent due to lack of budget related projects. Current Capacity (14 WCWs operating above 100% capacity, 3WCWs operating at	CC1.3.1	Grant Funding (Urban settlement development grant)	High	RAP1.3.1	Investigate other potential sources of funding for the upgrading of infrastructure to increase capacity- Go out into the market to source/borrow additional funding for expansion- Research and Initiate new	The two applications submitted by the entity to DBSA and IDC in the last financial year were unsuccessful. The entity is in the process of appointing the Transactional Advisor to assist with the applications to various financial institutions. The appointment of a transactional advisor was a non-award. The Spec is still in evaluation, the tender will be re-advertised for the third time before the bid evaluation process starts.	In Progress- The CoE is funding five ERWAT Water Care Works (WCWs) as Stage 2 capacity upgrade projects. The ERWAT PST is currently at the BAC stage, and consultants will be engaged in the 2025/2026 financial year to support five major capacity expansion projects	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
			80+ to 100% and only 2 WCWs operating below 80%)					processes in this FY			
				CC1.3.2	ERWAT implemented the 2023/2024 Capex Plan-target of +/- 98,10% was achieved.		RAP1.3.2.1	Implement the 2024/2025 Capex plan	-/+46,85% (R48 380 296,54) of R103,260,538.00 budget the 2024/2025 budget	Action Plan Complete-Q4 spend is R98 333 439,07(95,23%) with positive variance of +0,23% The budget was R103,260,538 for 2024/2025FY	
							RAP1.3.2.2	Plant Optimization Modelling	In Progress – Waterval and Olifantsfontein WCW FDPs are signed-off. Hartebeestfontein WCW FDP is in the process of being signed-off.	In Progress-The Hartebeesfontein WCW FDP was re-submitted for approval by Operations after infusing comments received from Operations on the final FDP draft.	
				CC1.3.4	Wastewater conveyance and treatment systems regionalisation and 50-year master plan		RAP1.3.4	Five (5) Turnkey Capital Project – 50 Year Master Plan through the City (progress report) 1. Watervaal	In progress – 1. Waterval - Refurbishment and Expansion for an additional 250 MLD: Stage 1 Completed & Stage 2 in progress. 2. Olifantsfontein - Refurbish and upgrade from the current regraded capacity of 65 MLD to 105 MLD and expansion	In progress - Waterval WCW Upgrade: Inception-Completed, Preliminary Design-Completed &Detail Design-Halted. Olifantsfontein WCW Upgrade:	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
								2. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht	for an additional 50 MLD: Stage 1 Completed & Stage 2 in progress. 3. Vlakplaats - Refurbish and upgrade from the current regraded capacity of 55 MLD to 183 MLD: Stage 1 Completed & Stage 2 in progress. 4. Ancor - Refurbish and upgrade from the current regraded capacity of 15 MLD to 35 MLD and expansion for an additional 15 MLD: Stage 1 Completed & Stage 2 in progress. 5. Welgedacht - Refurbishment and Expansion for an additional 60 MLD: Stage 1 Completed & Stage 2 Completed, Stage 3 in progress.	Inception-Completed, Preliminary Design-Completed &Detail Design-Halted. Ancor WCW Upgrade: Inception-Completed, Preliminary Design-Halted. Welgedacht WCW Upgrade: Inception-Completed, Preliminary Design-Completed &Detail Design-Halted. Vlakplaats WCW Upgrade: Inception-Completed & Preliminary Design-Ongoing Ratanda WCW Upgrade: Detail Design-Completed and Construction-	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
										Work in progress (Funding by Human Settlement Gauteng).	
			'b) Outdated, aging and inadequate technology to treat high strength industrial effluent due to lack of budget to implement newer technologies (OPS).	CC1.3.5	Wastewater Risk Abatement Plans		RAP1.3.5	Review the Wastewater Risk Abatement Plans every 3rd year (2023)	Action Plan Complete: The Wastewater Risk Abatement Plans were approved.	Action Plan Complete: The Wastewater Risk Abatement Plans were approved.	
				CC1.3.6	Organic testing of industrial effluent.		RAP1.3.6	Monthly Screening for Industries exceeding law limits	Organic profiling has been completed on 725 industrial source scans (391 for North East Region and 334 for South West Region). Industries exceeding by laws limits are being screened monthly.	Organic profiling has been completed on 755 industrial source scans (402 for North East Region and 353 for South West Region). Industries exceeding by laws limits are being screened monthly	
				CC1.3.8	Tracking of incidents and on a quarterly to assist in planning to build operational resilience and		RAP1.3.8	Quarterly tracking of incidents	Action plan completed- 1386 Job Cards were loaded on the CMMS and a Total of 591 were Closed. Translated to 43 %	Action plan completed- 1806 Job Cards were loaded on the CMMS and a Total of 1149 were Closed. Translated to 64%.	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
					improving compliance					Q4_EQUIPMENT BREAKDOWN_FY2024	
		CF1.5	Delays in bringing back equipment to services due to long lead time of spares sourced overseas and inadequate service master contracts	CC1.5.1	ERWAT Operational Procurement Plan		RAP1.5.1	Create a Centralised Spares Store to reduce down-time and increase efficiency	In progress. 2.The process has started, analysis of stakeholder needs has been completed for satellite stores needs and workshops. I. Phase 1 & 2 A submission to initiate the feasibility study was presented to EXCO and approval has been granted to proceed. In this submission a generic concept was presented, establishment of new infrastructure, re-purposing of old buildings and any other material needs that will be required for successful management of this facilities. iii. Phase 3 & 4 Finer details of this stage will be part of the feasibility study outcome,	In Progress: Currently assessing the capacity of workshops to determine how much spares and consumables can be stored. Developing a system to monitor the usage and distribution of these items. Security Unit to develop a plan for securing the workshop premises. A report will be compiled and presented to EXCO in Q1 2025/26 for proposed management of store items. The aim is to begin procuremen	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
									The Maintenance team will adjust the procurement plans to accommodate the resources required implement this study in this financial year. v. <u>Phase 5</u> This project will be budgeted for under Capex upon completion of the study mentioned above, we anticipate phased implementation in between 2025-27 Financial Years	t of all required items in Q2 & Q3 of FY25/26.	
ERW 2	Inadequate preparedness in the event of an emergency/natural disaster.	CF2.1	Some plants of the 19 Wastewater Care Works do not have wastewater bypassing systems and emergency dams	CC2.1	Water Bypass System for some Wastewater Care Works and emergency dams	High	RAP2.1	There is no further risk action planned to be implemented due to budget constraints. ERWAT Capex budget is limited to 95 million	Not Applicable		

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
		CF2.3	Inadequate Business Continuity Management Program	CC2.3.1	Business Continuity Management Policy		RAP2.3.1	Develop an ERWAT Disaster Management Framework	In Progress- ERWAT Disaster Management Framework is still under development. The BCM Policy was reviewed to guide the Framework. The Framework will be guided by the CoE Disaster Management Policy	In Progress- ERWAT Disaster Management Framework is still under development. The BCM Policy was reviewed to guide the Framework. The Framework will be guided by the CoE Disaster Management Policy	
				CC2.3.2 (a)	Business Continuity Management Risk Assessments for Water Care Works and Support Services		RAP2.3.2	Review of Business Recovery Plans for the Core Business	The entity is reviewing BIAs (Business Impact Analysis and BCM Risk Assessments for the Core departments. The above will inform the review of the Business Recovery Plans. The BIAs were conducted for fourteen (14) wastewater care works and the BIA reports still to be drafted for the 14.	The entity is reviewing BIAs (Business Impact Analysis and BCM Risk Assessments for the Core departments. The above will inform the review of the Business Recovery Plans. The BIAs were conducted for nineteen (19) wastewater care works and the BIA reports still to be drafted for the 19.	
				CC2.3.2 (b)	BCM Business Impact Analysis						
				CC2.3.2 (c)	Business Recovery Plans						
							RAP2.3.3(b)	Training of BCM Co-ordinators	In progress- The Human Resources department has submitted the FPQ	In Progress- A service provider was appointed for	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
									for Risk Management: Lead Implementer BCMS (ISO 22301) training and scheduled for advertisement in this quarter.	the Lead Implementer BCM (ISO 22301) and a PO has been generated. Training to be conducted in the month of July 2025. Q4_EQUIPMENT BREAKDOWN_FY2024	
				CC2.3.5	ICT Disaster Recovery Plan		RAP2.3.5	Move ERWAT Disaster Recovery Site to a location far from Head Office in line with best practice	In progress – In the last financial year CoE indicated that ERWAT halt the data center hosting project as the municipality is assessing whether they are able to provide the same service to ERWAT. ERWAT has in the interim given the C.o.E the scope of work which it requires for it's data centre hosting services.	In Progress- ERWAT is currently in ongoing discussions with COE management to potentially host its Disaster Recovery system at one of COE's data centers and has already shared the scope of work with COE to identify and clarify all the project's dependencies.	
ERW 3	Potential loss of the ISO 17025 accreditation	CF3.1	Aging instrumentation, scarcity of spares and	CC3.1 (a)	Scheduled Instrumentation	High	RAP3.1(a)	Implement Capex 2 items:	Capex funding has been made available for the 2 x Flow Injections Analysers	Capex funding has been made available for the 2 x Flow Injections	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
			discontinuation of instruments could result in loss of the approved testing methods impacting on service delivery both internally and externally		Maintenance Plan			2 x Flow injection analysers GC-MS equipment	in the 2025/2026 financial year. Sole Supplier approval for critical instrument maintenance have been approved. The tender ERW202201/TNDR-001 was awarded on 07/03/2023 on a 36 month contract and has been used by different districts to mitigate the risks on an ongoing bases.	Analysers in the 2025/2026 financial year. Scientific Services has secured sufficient budget for the 2025/2026 financial year, which will also include issuing a tender in Q1 for a new GC-MS instrument.	
				CC3.1 (b)	Use of obsolete scrapped equipment spares				Capex funding has been made available for the 2 x Flow Injections Analysers in the 2025/2026 financial year.	Scientific Services has secured sufficient budget for the 2025/2026 financial year to proceed with the procurement of all required instruments	
		CF3.2	Lack of budget for planned maintenance of the laboratory building	CC3.2	Ad-hoc minor maintenance by the Maintenance Department on a daily, weekly and monthly basis.		RAP3.2	Implementation of building maintenance plans including power supply loads, building/ roof leaks, etc.	In Progress- Building Maintenance tender is currently with BEC for evaluation.	In Progress- Building Maintenance tender is currently with the probity committee for reviewal and is anticipated to be presented to BAC in two weeks.	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
ERW 4	Inadequate preparedness in the event of total grid collapse resulting in extended blackouts	CF4.1	Load shedding challenges facing the South African government	CC4.1	No current control	High	RAP4.1	No further action plan to be implemented due to the network configuration	There is no reporting for the period under review. Network configured by Eskom	There is no reporting for the period under review. Network configured by Eskom	
		CF4.2	Thirty-Six (36) Gensets to power critical processes and UPS for the Laboratory	CC4.2	Conduct a feasibility study on alternative energy such as Hydropower, Solar etc		RAP4.2	Do a feasibility study on alternative energy such as Hydropower, Solar etc	The two applications submitted by the entity to DBSA and IDC in the last financial year were unsuccessful. The entity is in the process of appointing the Transactional Advisor to assist with the applications to various financial institutions. The appointment of a transactional advisor was a non-award. The Spec is still in evaluation, the tender needs to be re-advertised for the third time first, After that we will start with the bid evaluation process.	In Progress- The appointment of a transactional advisor was a non-award. The Spec will be scheduled for BEC.	
		CF4.3	Repair non-operational Gensets- Procure and Install				RAP4.3(a)	Repair all non-operational Gensets	In progress - Generators repairs contracts are now active, two service providers were awarded the tender.	In Progress- Orders were received during the last month of Q4 (FY24/25).	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
			additional Gensets						The Olifantsfontein Generator is not operational, an insurance claim was lodged, it still needs to be fixed. The Insurance claim is still pending	Repairs are currently ongoing. The Olifantsfontein Generator is not operational, an insurance claim was lodged, and it still needs to be fixed. The Insurance claim is still pending	
ERW 5	Inability to spend in accordance with the allocated budget	CF5.1	High vacancy rate due to the backlog caused by the previous monotorium	CC5.1	Implementation of the 2023/24 Recruitment Plan	Med	RAP5.1	Implemented the 2024/205 Recruitment Plan.	The following Positions are at offer stage: Manager Legal Board and Committee Secretariat System Analyst Four positions as per below still in Progress, (Interviews/Shortlisting Stage): Sales Engineer Fitter Senior Process Controller x2 Maintenance Planner	Positions to be re-advertised: Manager Legal – due to budgeted salary scale and candidate's expectation. System Analyst – Job Description to be reviewed. Board and Committee Secretariat – Awaiting Managing Director's Approval/Rejection of the appointment. Four positions as per below still in	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
										Progress, (Interviews conducted) Sales Engineer - Position placed on hold. Fitter – Position to be re-advertised. Senior Process Controller x2 – Recruitment Report to be submitted for approval of appointments. Maintenance Planner – Job Description to be reviewed	
		CF5.2	Decline in bulk purchases; Electricity costs due to load shedding	CC5.2	ERWAT Procurement Plan		RAP5.2	Enhance the process by having additional chemical suppliers (Ops)	In Progress: The tender for the supply and delivery of wastewater treatment chemicals was awarded (as a panel) on the 4th February 2025, four SLAs has been finalized (still waiting for 2 more SLAs to be finalized), and the kick-off meeting with the successful bidders was	In Progress- The tender for the supply and delivery of wastewater treatment chemicals was awarded (as a panel) on the 4th of February 2025, All SLAs has been/. Purchase orders have been issued to	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
									held on the 19th March 2025.	the respective service providers since May 2025.	
ERW 6	Inadequate revenue generation to supplement the approved budget	CF6.1	Inability to secure new business due to overhead costs that are higher than that of competitors. (Such as Manpower, laboratory, etc.)	CC6.1.1	Pricing Model. (Scientific Services Price Schedule)	Med	RAP6.1.1	Review of the Pricing Model.	The review of the Pricing Model is depended on the finalisation of the Financial Model by Finance	The review of the Pricing Model is depended on the finalisation of the Financial Model by Finance	
		CF6.2	Loss of existing business through insourcing and companies closing down or reducing costs	CC6.2	Customer Satisfaction Survey		RAP6.2	Appointment of an independent service provider to conduct annual customer survey	Service provider appointed-see attached the appointment letter. 0050AA461D7D2503 14113016.pdf	Survey completed, report to be presented at the next Exco meeting. 1st invoice received for works completed.	
		CF6.4	Business requirements limiting of entry to new market (Level of BBB-EE Compliance)	CC6.4	BBB-EE Task team in place		RAP6.4	Planning of all activities related to the requirements of the BBB-EE score card Annual	Verification was completed, certificate valid till December 2025. please see attached BBB-EE certificate.	Verification was completed, certificate valid till December 2025. please see attached BBB-EE certificate.	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
								review of BBB EE Compliance.	BEE CERTIFICATE - EKURHULENI WATEF	BEE CERTIFICATE - EKURHULENI WATEF	
ERW 7	Failure to meet capital expenditure set target	CF7.1	Delays in Supply Chain processes. (Including the effect of the Pandemic)- IPAP	CC7.1.1	Implementation of the 2023-2024 CAPEX Plan	Med	RAP7.1.1	Implementation of the 2024-2025 CAPEX Plan	-/+ 71,64% (R73 975 849,42) of R103,260,538.00 budget the 2024/2025 budget	Q4 spend is R98 333 439,07 (95,23%) with positive variance of +0,23%. The budget was R103,260,538 for 2024/2025FY	
ERW 8	Potential loss of key skills	CF8.1	Unexpected loss of key employees due to the resignation, retirement, death etc.	CC8.1.1	Review HR Policies after every 3 years	Med	RAP8.1.1	Review the HR Policies on an as and when the need arises	Action Plan Completed	Action Plan Completed	
				CC8.1.3	ERWAT Progression Framework		RAP8.1.3	Review of the existing Progression Framework to include other departments	In Progress- The review of Progression Frameworks is currently in progress and will be finalized upon approval of Departmental Structures.	In Progress- Departmental structures to be signed off in Quarter 1 of 2025/2026. Progression frameworks to be reviewed and aligned in Quarter 2.	
				CC8.1.7	Implementation of 2023/24 Annual Training Plan		RAP8.1.7	Implement the 2024/2025 Training Plan	This quarter will see the completion of the remaining H&S training. x38 First Aid x39 SHE REP	This quarter we see the completion of the following training:	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
									x38 Fire Fighting Work at Heights PO granted scheduled to take place in this Quarter.	x17 - First Aid Level 1 x28 - Fire fighting x8 – Truck Operator x87 – Working at Heights x12 – Confined Space Entry x8 – HazChem x11 – Permit to Work x31 – Wellness Champions workshops	
				CC8.2.2	Employee climate survey		RAP8.2.2	Conduct an Employee Climate Survey	In Progress- Tender was awarded. Kick off will take place in Quarter 4.	In Progress- Project implementation meeting has been scheduled for Quarter 1 of 2025/2026. Delay due to SCM processes.	
				CC8.2.3	Psychosocial support		RAP8.2.3	Implementation of the 2023/24 Employee Wellness Support Programmes	SLA agreement has been signed with service provider. Kick off meeting was held and services will commence in April 2025.	Action Plan Complete- The Employee Wellness Support Program for 23/24 was Implemented	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
				CC8.2.4	Wellness workplace programmes		RAP8.2.4	Implementation of the 2024/25 Wellness Program	SLA agreement has been signed with service provider. Kick off meeting was held and services will commence in April 2025.	Action Plan Complete- The Wellness Program for 24/25 FY was implemented	
				CC8.2.5	Human Resource Management Roadshows		RAP8.2.5	Go on a Human Resources Road Show to raise awareness on Human Resource activities	The remaining Wastewater Care Works (WCW) are now scheduled for Quarter 4.	In Progress- The Roadshow will be conducted in Quarter 1 of 25/26 FY	
ERW 9	Potential delays in the supply and delivery of critical goods and services as a result of procurement challenges	CF9.1	Late commencement of bid processes by user department and discrepancies around specifications	CC9.1.1	Supply Chain Management Policy	High	RAP9.1.1	Review the SCM Policy as and when legislation changes	There were no changes in the warranting policy review for the period under review. No changes are effective and the SCM policy will be amended once the regulations have been promulgated.	No changes to SCM policy for period under review.	
				CC9.1.3	ERWAT Procurement Plan		RAP9.1.3	Review the 2024//25 Procurement Plan and track the implementation thereof	Opex procurement plan not approved – with OoCFO. Pending final approval of revised CAPEX procurement plan reflecting the adjustment budget. IPAP to submit.	In Progress- Opex procurement plan not approved – with Office of the CFO. CAPEX procurement plan reviewed and approved	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
										05/06/2025 for 2024/25.	
		CF9.3	Long lead time to deliver goods/ services due to external factors such as Pandemics, Rise in Logistics Cyber Attacks, Shortage of supplies & Consumables etc.	CC9.3	Service Master Contracts for Maintenance		RAP9.3	Appoint a panel for professional services for IPAP and Maintenance Department	PSP currently in final stages at BEC.	In Progress- The PSP tender is currently at BAC stage	
ERW 10	Potential Loss of, and Unauthorised Access Critical Information	CF10.1	Aging ICT infrastructure leading to higher hardware failure (80%-85%) of the Server Hardware has reached end of life support, leading to difficulties in procuring	CC10.1	Asset Management Policy, Strategy and Disaster Recovery Plan (Cloud back-up)	High	RAP10.1(a)	Replacement of server infrastructure	Data Centre software components are currently being configured such as ESXi hypervisors, vCenter and Veaam Replication.	Action Plan Complete- Server Infrastructure has been upgraded to the new SimpliVity Solution. The vCenter Software has been upgraded to the latest version.	
							RAP10.1(b)	Upgrade unsupported operating systems	Data Centre software components are currently being configured such as ESXi hypervisors, vCenter and Veaam	In Progress- The server operating system upgrade for virtual servers is	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
			replacement spare, warranties, etc)						Replication. Operating System Licenses have been procured.	currently in progress.	
				CC10.3.3	Logical access policy		RAP10.3.3	Develop a Cyber-Security policy	Action Plan Complete	Action Plan Complete	
		CF11.1	Non-Compliance/ disregarding (Knowingly or unknowingly) Occupational Health & Safety policies and Standard operating procedures. (e.g. Inappropriate use of PPE;)	CC11.1.2	Occupational Health & Safety Procedures (SOPs) -MS- SOP-SA002 Health and Safety Representative Procedure -MS- SOP-SA003 Accident Reporting and Investigation Procedure -MS- SOP-SA004 Permit to Work Procedures -MS- SOP-SA005 Confined		RAP11.1.2 (a)	Development of Occupational Health Standard Operating Procedures: Employee Assistance Programme	Awaiting sign off of the SOP's from MD's office	Action Plan Complete- The Development of Occupational Health SOP has been signed off by the MD	
							RAP11.1.2 (b)	Review of Safety Standard Operating Procedures 1. Occupational Health & Safety Procedures (SOPs)	Awaiting sign off of the SOP's from MD's office	Action Plan Complete- Reviewed Safety SOP's signed off by the MD.	

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
	Potential injuries to people (personnel, visitors and contractors) and damage to property				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			2. MS- SOP-SA002 Health and Safety Representative Procedure 3. MS- SOP-SA003 Accident Reporting and Investigation Procedure 4. MS- SOP-SA004 Permit to Work Procedures 5. MS- SOP-SA005 Confined Space Procedure 6. MS- SOP-SA006 Excavation Procedure 7. MS- SOP-SA007 Wearing of Safety Harness			

REF	Risk Title	Contributing Factors		Current Mitigating Controls		RR	Risk Action Plans		Detailed Progress Quarter 3	Detailed Progress Quarter 4	
								8. MS- SOP-SA008 Fall Protection Plan 9. MS- SOP-SA009 Control of contractors working at ERWAT 10. MS-SOP-SA0010 HSE Plan			
		CF11.2	Deteriorating workplace condition due to inadequate maintenance	CC11.2.1	2024/2025 Maintenance Plan		RAP11.2.1	Maintenance of Buildings by Operations Department	Building Maintenance tender is currently with BEC for evaluation.	In Progress- Building Maintenance tender is currently with the probity committee for reviewal and is anticipated to be presented to BAC in two weeks.	

Emerging Risks (Narrative)

This section must reflect on emerging risks in the context of Departmental Strategy and Operations. The section should discuss risks not identified in the original approved business plan.

3 Legislative (only if applicable to your department)

Progress on the relevant legislative requirements includes the following:1

No.	Legislation	Main Issue	Remedial Action
1	National Water Act 36 of 1998	9 Plants operating above their design capacity	Five (5) turnkey capacity building projects have been initiated by the City of Ekurhuleni, with progress varying across different stages of design and implementation.
2	National Environment Act 107 of 1998	Unlined Sludge Drying Beds and Emergency Dams	Remedial action will be taken pending budget allocation.

4 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 has been bad – unmanageable issues.

Operation Clean Audit Progress

The progress on each finding is presented below:

2023/2024 OPCA

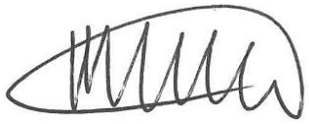
No	Finding Heading	Status	Percentage	Action Plan
1	Differences identified between the auditor's recalculation of depreciation amount and the amount recorded in the Fixed Asset Register.	**Good – going as planned**	80%	1) Adjust the Financial Statements to correct the R852 734 error. 2) Resolve Solar 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.
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.

No	Finding Heading	Status	Percentage	Action Plan
				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 requirements cannot be accommodated by the

No	Finding Heading	Status	Percentage	Action Plan
				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**	10%	**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

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

Approved by:



Mr. Kennedy Chihota
Managing Director

10 July 2025

Date