ERWAT: Second Quarter Departmental Performance Reporting Template

2025/26 QUARTERLY REPORTING TEMPLATE AGAINST THE APPROVED BUSINESS PLANS

1. Executive Summary by the Department

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

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

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

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

ERWATs performance in Quarter 2 of 2025/2026 has declined from the previous quarter to 63% achievement of reportable targets considered for the performance of the entity. The entity achieved five (5) out of the eight (8) reportable indicators, which is considered for performance in the second quarter of 2025/2026, as shown in Table A, below. There are in total fourteen (14) performance indicators, comprising of four (4) city wide indicator of which three (3) are reportable in Quarter 2 and ten (10) departmental indicators, of which five (5) are reportable in Quarter 2. The entity achieved two of the three (3) city-wide indicators and four (4) departmental indicators, which are reportable for performance in Quarter 1.

Table A: Summary of Service Delivery Performance

Service Delivery Monitoring					
	Total number of targets	**Total number of targets set for performance measurement in the quarter**	**Achieved**	**Not achieved**	**Variance**
City Wide SDBIP	4	3	2	1	-1
Department SDBIP	10	5	3	2	-2

ERWAT has met the city-wide indicators for external revenue generation and compliance with the wastewater treatment license conditions, which demonstrates the entity's commitment to the improving the service delivery outcomes as defined by City of Ekurhuleni's Integrated Development Plan (IDP). However, the city-wide target for wastewater capacity unused was not achieved due to an increased hydraulic load caused by the high rainfall experienced during this quarter. Important to note is that the City of Ekurhuleni has increased the MTREF for ERWAT for its capex programme. ERWAT continues to align expenditure with achieving Green Drop objectives, protecting the environment and public health. However, the two departmental targets which were not achieved included:

- The procurement spend on SMMEs, which was not fully met during the reporting period due to some service providers which experienced growth and were reclassified, resulting in a reduced proportion of spend attributed to SMMEs.
- The underperformance on the total operating expenditure indicator mainly due to the under expenditure on repairs and maintenance, interest expenditure, bulk purchases and general expenditure.

ERWAT, with support from the City of Ekurhuleni, is advancing well in the feasibility phase of its Mega Catalytic Projects, which is aligned with the entity's 50-year master and regionalisation plan to support future development. The programme has been selected as one of South Africa's Top 7 projects for preparation funding by Infrastructure South Africa (ISA). Upgrading Water Care Works capacity is vital to address current backlogs and support future growth. ERWAT also met its capex spending targets for Quarter 2 in 2025/2026 to address short-term infrastructure needs.

2. Service Delivery Monitoring

2.2 CITY-WIDE SDBIP

KPI 1 – City-wide

Percentage of wastewater treatment capacity unused

Method of Measure

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

Evidence

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

Q2 Target

-50%

Q2 Actual

-52%

Comment

Target not Achieved

Reasons for Variance

The sustained high rainfall between October and December 2025 led to the increase of the hydraulic load

Corrective Measure

Six WCW have been identified for upgrading and awaiting the awarding of the tender.

KPI 2 – City-wide

Net Surplus /Deficit Margin for Wastewater

Method of measure:

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

Evidence

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

Q2 Target

N/A

Q2 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 3 – City-wide

Total revenue generated from external business.

Method of measure

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

Evidence

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

Q2 Target

R9 250 000

Q2 Actual

R10 426 574

Comment:

Revenue Target for Quarter 2 was achieved with a positive variance of R1 176 574

Reason for variance

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

Remedial action
No remedial action required.

KPI 4 – City-wide

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

Method of measure

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

Evidence

Applicable Water use authorization limits of each Wastewater Treatment Works are used to determine the water quality compliance level. Physical, biological and chemical water quality analysis results of each Wastewater Treatment Works are downloaded from the LIMS. A spreadsheet used to calculate average compliance of each of the 3 water quality compliance categories and then the average of the 3 categories gives the overall compliance for each WCW. The average water quality compliance for all ERWAT system (19 WCWs) is calculated based on the average water quality compliance of all 19 ERWAT operated WCWs.

Q2 Target

75%

Q2 Actual

85%

Comment

KPI Achieved

The entity achieved 85% Quarterly target by a positive variance of 10%.

Reason for variance

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

- Critical equipment failures. Also see Section 3.3.
- Industrial pollution
- Power supply interruptions
- Intermediate chemical shortages

- Critical equipment failures

The critical equipment failures are expressed as a percentage (%) of the number of critical equipment failures over the reporting period divided by the total number of duty critical equipment that directly impacts final effluent water quality. The following WCWs : Benoni, Welgedacht Dekema, Rondebult Hartebeestfontein, Rynfield, Olifantsfontein, Vlakplaats, Tsakane, Esther Park, Jan Smuts, JP Marais and Herbert Bickley experienced the most critical equipment failures with increased quantities (percentage) in quarter 2 impacting directly on the effluent compliance, an increase of 6.75% 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 which were not resolved in previous quarters and the impact on compliance are thereof carried over from quarter to quarter.

Table B: Percentage (%) Critical Equipment Not Available

WCW	% of critical equipment not available Q2 2025/2026	% of critical equipment not available Q1 2025/2026	Comments on the regression
Ancor	10 %	0%	2 fine screens are not operational at inlet works. Biofilter no.7 centre column is collapsing. Degritter no.1 not operational.
Benoni	64%	48%	Recurring breakdowns of ferric dosing system Recurring trip of 2 x biofilter recycle pumps Mechanical screen not working Chlorine gas system not working for 4days in November 2025 PST no 1 scrapper rubber worn out Raw sludge pump no.1 tripping
Carl Grundlingh	0%	7%	None.
Daveyton	0%	0%	None.
Dekema	39%	33%	Failure on Section 8 PST 12 gearbox and Biofilter11 arm, Section 1 PST 1, & 2 gearbox, Section 7 biofilter arm, Section 4

WCW	% of critical equipment not available Q2 2025/2026	% of critical equipment not available Q1 2025/2026	Comments on the regression
			PST 7 and 8 bridges, section 2 PST 4, Generator. Only received PO for section 2 awaiting repairs by contractor.
Esther Park	17%	22%	None
Hartebeestfontein	38%	0%	Breakdown of the following equipment led to regression. Primary aerators: 1* Module 1, 1* Module 2, 2* Module 3, Secondary aerator*1 module 1, Anaerobic Mixer *1 module 1, Anoxic Mixer no 2 Module 2, FST 5 siphon pipe, FST 5 and 6 RAS pumps* 2, Inlet Screen no 2, Degritting system, Diffusers Module 4, Blowers module 4 *2, PST 4 bridge, Chlorine contact tank valve, Generator Module 4, Digester pipes, Irrigation pump *, RAS Screw Pumps *1, Balancing dam screw pump*2
Heidelberg	0%	2%	None.
Herbert Bickley	11%	11%	None.
Jan Smuts	12%	0%	Critical breakdowns included: Faulty Generator, Booster pumps 1 and 2
JP Marais	12%	7%	Critical breakdowns included: BNR generator fuel pipe Inlet works and BNR Generator changeover units Office generator malfunction PST fine screen chain derailed PST fine screen and and conveyor motor trippage Chlorine changeover unit and Degritter pump blockage.
Olifantsfontein	26%	13%	Recurring breakdown of inlet screens Continuous blockage of Module 1 PST recirculation pumps no.1.1 and 1.2 and the lines Unrepaired FBP Screen results in frequent blockage of the sludge pump

WCW	% of critical equipment not available Q2 2025/2026	% of critical equipment not available Q1 2025/2026	Comments on the regression
			Recurring breakdown of filter belt press. FBP operates with 1 of 4 belts due to unavailability of FBP consumables 4 x Ferric pumps defective and uneconomical to repair and had to be replaced. Generators for module 1 and module 2 which caters for chlorination system & inlet works not operational due to mechanical failures BNR 3 additional mixers not operational: Module 1 mixer no.1.6, Module 2 mixer 2.5 and 2.8.
Ratanda	6%	6%	None.
Rondebult	39%	22%	Failure on Humus tank # 4, ferric dosing pump, and degritter pump Failure on Humus tank # 4, ferric dosing pump, and PST 9 desluding pipe blockages
Rynfield	37%	33%	Breakdown of secondary anoxic mixer 03 Breakdown of anaerobic mixer 1A and Recurring breakdown of RAS screw pumps 1 and 2
Tsakane	17%	36%	None.
Vlakplaats	26%	12%	Failure on the fine screen, clarifiers, and module B humus pumps Failure on the fine screen, clarifiers, and BNR and DAF challenges
Waterval	3%	3%	Failure on dewatering fine screens, sludge to lands pumps, and poly make-up mixers.
Welgedacht	45%	20%	Aerator 2 and 7 Recurring breakdown with inlet works screens 5X Mixer at module 2 Reactor A Module 1 and module 1 inlet compressors

WCW	% of critical equipment not available Q2 2025/2026	% of critical equipment not available Q1 2025/2026	Comments on the regression
			Module 1 classifier no,1 shaft and classifier screw no.2 faulty worm Faulty RAS screen Faulty dewatering belt no.1 out of alignment Faulty wash water pump no.3 at dewatering
Average of 19 WCW	21.16	14.41%	
	4 remain unchanged, 4 improvements and 11 deteriorated.		

The average critical equipment failures between Q2 2025-2026 and Q1 2025-2026 have increased by about 6.75%. The interventional on remedial actions is presented in the section below.

Power supply interruptions

Although ESKOM no longer implements load shedding, WCW continue to experience significant power supply interruptions. The WCWs tabulated below experienced frequent power failures during Quarter 2 impacting the compliance of the WCWs directly. It must be noted that the impact of power outages, have a negative impact on the WCW ability to treat wastewater, despite the availability of standby generators As the available generators doesn't have capacity to power all the process units within the WCW, but only limited to the critical process units within the WCW.

It can be noted that in total 1599 hours of power failures were experienced on the WCW in Q2, compared to 897 hours in Q1- an increase of 704 hours or 1.78 times the previous quarter.

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

Power failures

Plant	Quarter 2 2025/2026					
	District	Scheduled Load Reduction	Total hours Load Reduction	Number of Power failures	Total hours Power Failures	Total hours without power
Benoni	DD3	0	0	2	90	90
Esther Park	DD3	0	0	8	110	110
Hartebeestfontein	DD3	0	0	2	8	8
Olifantsfontein	DD3	0	0	3	48	48
Rynfield	DD3	0	0	2	12	12
Ancor	DD4	0	0	3	17	17
Daveyton	DD4	0	0	17	74	74
Jan Smuts	DD4	0	0	7	156	156
JP Marais	DD4	0	0	18	52	52
Welgedacht	DD4	0	0	3	9	9
Carl Grundlingh	DD5	0	0	3	23	23
Heidelberg	DD5	0	0	34	147	147
Herbert Bickley	DD5	0	0	24	361	361
Ratanda	DD5	0	0	14	122	122
Tsakane	DD5	0	0	18	126	126
Dekema	DD6	0	0	23	113	113
Rondebult	DD6	0	0	10	96	96
Vlakplaats	DD6	0	0	1	35	35
Waterval	DD6	0	0	0	0	0

Plant	Quarter 2 2025/2026					
	District	Scheduled Load Reduction	Total hours Load Reduction	Number of Power failures	Total hours Power Failures	Total hours without power
				192	1599	1599
Total number of hours without electricity on all impacted Water care Works for Q2.						**1599**

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 Q2; Herbert Bickley (361), Jan Smuts (156), Heidelberg (147), Tsakane (126), Ratanda (122), Dekema (113) and Esther Park(110)

- Industrial pollution incidents:

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

  The WCWs (water care works) listed in the Table below received industrial pollution during Quarter 2. 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 Q2 2025-2026 as compared to Q1 2025-2026, as detailed in the Table below.

Industrial Pollution

	Number Of Industrial Pollution Incidents during Q2 2025/2026	Number Of Industrial Pollution Incidents during Q1 2025/2026
Benoni	31	16
Esther Park	18	38
Hartebeestfontein	36	70
Olifantsfontein	70	68
Rynfield	0	0
Ancor	10	9
Daveyton	0	0
Jan Smuts	3	13
JP Marais	0	0
Welgedacht	63	2
Carl Grundlingh	0	0
Heidelberg	24	43
Herbert Bickley	15	17
Ratanda	2	2
Tsakane	0	0
Dekema	1	12
Rondebult	18	4
Vlakplaats	0	0
Waterval	1	2
Total	292	296

Olifantsfontein, Welgedacht, Hartebeestfontein, Benoni, Heidelberg, Esther Park and Rondebult WCW were impacted the most by industrial pollution in Q2 2025-2026, the overall pollution incidents has decreases by 4 as compared to Q1 2025-2026. The decrease in pollution incidents is attributed to dilution due to rain.

- **Intermediate Chemical Supplies**

The bid for the supply of chemicals (chlorine) was awarded during Q4 2024-2025 period, and some delays were experienced as the appointment of the new service provider was being concluded and onboarded. However there plants utilising the 70 kg cylinders experience shortage of the chemical sometimes due to non-availability of the empty cylinders from the manufacturer. The chlorine gas manufacturer has also mentioned that the use of 70kg chlorine

cylinder drums will soon be phased out. As such, ERWAT WCWs currently utilising these cylinder sizes will require a budget to have their disinfection systems upgraded for use of 920 kg cylinders. The alternative disinfectant (chlorine tablets) were used when the 70 kg chlorine gas were unavailable, and also to supplement the gas chlorine where needed. The Table below shows the affected WCW.

Chemical Shortages

	Chlorine gas Shortages days	Disinfection by chlorine tablets days	Ferric Shortages days
Benoni	0	4	0
Esther Park	15	92	0
Hartebeestfontein	12	19	0
Olifantsfontein	0	6	0
Rynfield	6	6	0
Ancor	6	92	0
Daveyton	0	0	0
Jan Smuts	0	0	0
JP Marais	0	0	0
Welgedacht	0	0	0
Carl Grundlingh	0	0	0
Heidelberg	0	0	0
Herbert Bickley	38	43	6
Ratanda	3	6	0
Tsakane	0	10	0
Dekema	0	0	0
Rondebult	0	0	0
Vlakplaats	0	0	0
Waterval	0	92	0

Remedial Action:

1. Critical equipment failures
   Asset Care plans for critical equipment were developed but only partially implemented. Breakdowns still occur frequently, and the number of outstanding jobs for critical equipment is significant, impacting the final effluent quality directly. Adequate OPEX funds are urgently required to implement the full asset care plans and reduce the failure rate and improve reliability. A War Room (comprising of Operations, Maintenance, Finance, Strategy, Monitoring & Evaluation, Infrastructure Planning and Projects Departments and Office of the Managing Director) has been established to closely monitor progress implementation of outstanding critical maintenance work and improve the internal business processes. Furthermore, the current arrangements for the Maintenance team to report to the Operations Executive has resulted in more coordinated efforts to address critical equipment failures. The average critical equipment failures between Q2 2025-2026 and Q1 2025-2026 have increased by about 6.75%. The contract for mechanical maintenance services has been awarded in Q2, this will provide the much-needed services to repair and maintain equipment failures, in addition allow for improved implementation of planned maintenance activities. The implementation of the necessary repair work will commence in early Q3, and progress report provided at the end of the quarter.

2. Power supply outages
   Short to medium term: Standby diesel generators are available at some of the most critical process units of the various WCW. Several new generators have been procured to cover all WCW critical process units. A total of 19 preventative maintenance job cards were loaded and 17 were completed, 2 are still in progress. scheduled for completion in Q3 FY 2025/2026.

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

An intervention with stakeholders comprising of Department of Water & Sanitation (DWS) national & Provincial offices, City of Tshwane (CoT), City of Ekurhuleni (COE) and ERWAT has been developed with the purpose of addressing the challenges, mainly pollution incidents experienced at Hartebeestfontein WCW.

4. Chemical Shortages

The alternative disinfectant (chlorine tablets) was used during the period when there was no chlorine gas, mainly the 70kg chlorine cylinders. ERWAT is planning to phase out the 70 kg cylinders in line with the manufacturer's plan to phase-out these cylinder sizes, thus mitigate the shortage of chemical. The current chemical bid will lapse in about 28 months period, this challenge would no longer be experienced beyond this contract, as ERWAT intends to upgrade the chlorine systems within the same period.

KPI 5 – Departmental SDBIP

Audit Opinion

Method of measure

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

Evidence

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

Q2 Target

N/A

Q2 Actual

N/A

Comment:

N/A

Reason for variance

N/A

Remedial action

N/A

KPI 6 – Departmental SDBIP

Total Capital Expenditure as a percentage of total capital budget

Method of measure:

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

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

Evidence

Dated and signed Finance year to date expenditure report

Q2 Target

35%

Q2 Actual

38,52%

Comments

The department has demonstrated strong performance for the second quarter, exceeding the set target of 35% by 3.52%. This reflects an efficient rollout of the Capital Expenditure (CAPEX) program. The expenditure is consistent with the departmental procurement plan, particularly in the areas of asset replacement and technological upgrades.

Reasons for variance

The positive variance of 3.52% is due to the acceleration of procurement processes and the early completion of several project milestones.

Remedial action:

Ensuring that all remaining planned projects are currently at the "requisition" or "order" stage to ensure the Q3 target is also met.

KPI – 7 Department SDBIP

Percentage of procurement spend allocated to SMME's

Method of measure

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

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

Evidence

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

Q2 Target

60%

Q2 Actual

39%

Comments

Target not met with a variance of -21%.

Reasons for variance

Target not achieved due to the following factors:

1. Expenditure incurred on existing contracts. Majority of existing contractors SMME status are GEN, and
2. Some suppliers BEE status has increased from a QSE level to a Generic level which highlights that SMME companies' financial status has improved.

Remedial action

Efficient lead time on new appointments and processing of orders, in the current and forthcoming quarters of contractors with designated QSE or EME status. The bid documents provide for points for EME or QSE bidders with 51% or higher ownership, that enables qualifying bidders to score the highest points

KPI 8 – Departmental SDBIP

Number of Repeat Audit Findings

Method of measure:

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

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

Evidence

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

Q2 Target

N/A

Q2 Actual

N/A

Comment:

N/A

Reason for variance

N/A

Remedial action

N/A

KPI 9 – Departmental SDBIP

Green Drop Score

Method of measure:

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

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

Evidence

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

Q2 Target

N/A

Q2 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 10 – Departmental SDBIP

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

Method of measure:

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

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

Evidence

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

Q2 Target

4%

Q2 Actual

61%

Comment:

Target achieved.

Reasons for variance

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

Remedial actions

None

KPI 11 – Departmental SDBIP

Total Operating Expenditure as a percentage of Total Operating Expenditure Budget

Method of measure:

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

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

Evidence

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

Q2 Target

40%

Q2 Actual

38.72%

Comment:

Target not achieved with a negative variance of 1.28%.

Reasons for variance

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

Repairs and maintenance:
Repairs and Maintenance, under expenditure is due to work that was allocated in Q2 but could not be completed within the anticipated timeframe. Commitments were at 50% of the budget in Q2 and the delivery on some orders that were not completed in Q2 is expected to be completed in Q3.

General expenditure:
The transport and freight - Underspending due to work that could not be completed as planned within the second quarter. The work had already commenced in Q2 but could not completed within the anticipated timeframe.

Health, safety and protective clothing: The under expenditure is mainly due to the PPE tender that was budgeted for but not yet awarded (currently at the evaluation stage of award). Furthermore, the expenditure on the PPE transversal contracts that is currently being utilised

is limited to critical PPE items and doesn't include all the necessary PPE items required by ERWAT.

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

Bulk purchases:
Bulk purchases, the variance is mainly due to the dispute with Johannesburg Water which has resulted in a reduction in the amounts billed to ERWAT for the 2025/2026 year which is less than what was originally budgeted for.

Remedial actions:

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

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

ERWAT's request to participate in additional items on the transversal contract was approved by National Treasury in December 2025 just before the end of quarter two. The expenditure for the additional health and safety items is anticipated to be realised in the third quarter. Furthermore, pending the outcome of the PPE tender evaluation and award, ERWAT may be able to make procure on this contract and realise further budgeted expenditure.

Bulk purchases
The bulk purchases budget for Johannesburg Water will be adjusted during the mid-year budget adjustment to be better aligned with the anticipated actual expenditure.

Interest Expense:
The interest expense budget will be adjusted during the mid-year budget adjustment to be better aligned with the anticipated actual expenditure.

KPI 12 – Departmental SDBIP

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

Method of measure:

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

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

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

Evidence

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

Q2 Target

N/A

Q2 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions:

N/A

KPI 13 – Departmental SDBIP

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

Method of measure:

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

Evidence

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

Q2 Target

N/A

Q2 Actual

N/A

Comment:

N/A

Reasons for variance

N/A

Remedial actions

N/A

KPI 14 – Departmental SDBIP

Percentage of tender cancellations

Method of measure:

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

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

Evidence

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

Q2 Target

10%

Q2 Actual

0%

Comment:

Target achieved

Reasons for variance

No bids were cancelled during Quarter 2.

Remedial actions:

None.

3.1 City-Wide/Institutional SDBIP 2025/26

Refer to the City-wide SDBIP 2025/26

Table1: City-Wide Indicators

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

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
METRO TRADING SERVICES CLUSTER																					
Entity	**Outcome**	**Performance Indicator (Outcome)**	**Performance Indicator**	**Portfolio of Evidence**	**Baseline 2024/2025 (quarter 3)**	**Annual Target (2025/26)**	**Target for 2025/2026 SDBIP per Quarter**		**Variation**	**Actual Output Rating**	**Progress on Targets**	**Reason(s) for Variation**	**Remedial Action**	**Resources Allocated for 2025/2026 SDBIP per Quarter**		**CAPEX Project Details**			**OPEX Project/Line-Item Details**		
							Planned Target Quarter 2	**Actual Output Quarter 2**						**Planned Budget Quarter 2**	**Actual Expenditure Quarter 2**	**CAPEX vote number**	**CAPEX Project ID**	**CAPEX Project Description**	**OPEX Vote Number**	**OPEX Project Description**	**OPEX Line item description**
GDS Thematic Area: Re-Urbanise: To achieve urban integration.																					
Strategic Objective 1: To deliver reliable, affordable, and sustainable services and ensure improved infrastructure maintenance																					
East Rand Water Care Association (ERWAT	WS 4. 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	-42%	-50%	-50%	-52%	-2%	Performance expectations were not met	Target not achieved	The sustained high rainfall between October and December 2025 led to the increase of the hydraulic load	Six WCW have been identified for upgrading and awaiting the awarding of the tender.	CAPEX		73126 46002 0TCX BAZZ ER 73146 46002 0TCX BAZZ ER 73436 45602 0TCX BCZZ ER 73526 44942 0TCX	-	P-CNIN FURN & OFF EQUIP P-CNIN FURN & OFF EQUIP P-CNIN MACHINERY & EQUIP P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W	-	-	-

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

METRO TRADING SERVICES CLUSTER

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025 (quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
				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 ERWA													BHZZER 735364494 20TCX BHZZER 735464494 20TCX BHZZER 736164494 20TCX BHZZER		TREAT WRKS P-CIN SAN W/W TREAT WRKS P-CIN SAN W/W TREAT WRKS			

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

METRO TRADING SERVICES CLUSTER

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025 (quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
				T system (total of 19 WCW).																	
East Rand Water Care Company (ERWAT)	FM 7. Improved revenue and debtors' management	FM7.33 Percentage of net operating surplus margin	FM7.33 Net Surplus /Deficit Margin for Wastewater	Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited annual financi	NEW KPI	5%	N/A	N/A	N/A	N/A	N/A	N/A		OPEX		-	-	-	Various votes: 1414 votes	-	OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE: WASTE WATER TREATMENT:

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

METRO TRADING SERVICES CLUSTER

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025 (quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
				al statements should be used																	EARTHWORKS
East Rand Water Care Company (ERWAT)	Improved Quality of water (including wastewater)		ERW1.1 Total revenue generated from external business	Invoices coupled with general ledger with a balance that agree to the amount reported	R39 837 478,83	R37,752,000	R9,250,000	R10 426 574	R1 176 574	Performance expectations were exceeded	Target Achieved	Revenue Target was achieved due to continued maintenance of the current projects and additional revenue generated from ad-hoc and beneficiation projects.	None	OPEX		7312138090 0FAZZZZZER 7325114447 0FAZZZZZER 7348142330 0FAZZZZZER 7348132301 0FAZZZZZER 7343142330 0FAZZZZZER	ZZZZZZZZZZZZZZZ	DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS DEFAULT TRANSACTIONS			

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

METRO TRADING SERVICES CLUSTER

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025 (quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
East Rand Water Care Company (ERWAT)	Improved Quality of water (including wastewater)		ERW1.3 Percentage compliance with wastewater treatment works license conditions and/or exemptions standards	Dated and signed report indicating actual flow received and treated per WCW and totalised for ERWAT system (19 WCW) drawn from LIMS (Laboratory Information Management System), in conjun	81%	75%	75%	85%	10%	Performance expectations were exceeded	Target Achieved	A positive variance was due to, lower raw inflow sewage strength, which aided the treatment process	Even though target was met the entity will continue improve critical equipment maintenance.	R223 797 789.00					Various votes: 1414 votes		OPERATIONAL: MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENC

2025/2026 CITY WIDE PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS

METRO TRADING SERVICES CLUSTER

Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator	Portfolio of Evidence	Baseline 2024/2025 (quarter 3)	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Project Details			OPEX Project/Line-Item Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX vote number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line item description
				ction with the original or re-graded design hydraulic capacity (available capacity) per WCW for the ERWAT system (total of 19 WCW																	

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

Table 2: Departmental Entity's SDBIP

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
IDP Strategic Objective 2: To build a clean, capable and modernized local state																					
Ekurhuleni Water Care Company (ERWAT)	To build a clean, Capable and Modernized Local State		ERW1.2 Audit Opinion	Dated and signed Audit report from AGSA	Unqualified Audit Opinion	Unqualified Audit Opinion	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Improved Quality of Water including Wastewater		FM1.11 Total Capital expenditure as a percentage of total capital budget	Dated and signed Finance year to date expenditure report	99.56 %	95%	35%	38,52%	3.52 %	Performance expectations were exceeded	Target achieved	The acceleration of procurement processes and the early completion of several project milestones.	Ensuring that all remaining planned projects are currently at the "requisition" or "order" stage to ensure the Q3 target	CAPEX	R 113 621 593,20	73126460020TCXBAZZER	XBH	P-CNINFURN & OFFEQUIP	-	-	-

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
													is also met.								
	Improved Quality of Water including Wastewater		4.M Percentage of procurement spent allocated to SMME's	Dated and signed Letter of appointment or subcontract with support (contract) amount Award AND Listing (Register) of SMME supported with support amount	91.4%	60%	60%	39%	-21%	Performance expectations were not met	Target not achieved	1.Expenditure incurred on existing contracts. Majority of existing contractors SMME status are GEN, and 2.Some suppliers BEE status has increased from a QSE level to a Generic level which		OPEX/CAPEX	R92 338 778,34	N/A	N/A	Various	N/A	N/A	Various

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												highlights that SMME companies' financial status has improved.									
	Improved Quality of Water including Wastewater		GG3.11 Number of Repeat Audit Findings	AGSA signed management letter	8 repeat audit findings noted in the AGSA signed management letter	0	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A
	Improved quality of water including wastewater		ERW1.5 Green Drop score	The Green Drop results as published by	6	6	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX		-	-	-	Various votes	OPERATIONAL:MAINTENANCE	

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
				the National Department of Water and Sanitation																	
	LED1. Growing inclusive local economies		LED1.11 Percentage of total municipal operating expenditure spent on contracted services physically residing within the	Signed Expenditure report on municipal operating expenditure spent on contracted services	8%	8%	4%	61%	57%	Performance expectations were exceeded	Target achieved	The bid documents provide for points for EME or QSE bidders with 51% or higher ownership who reside within the CoE area.	None	OPEX	R179 808 971.01	Various	N/A	N/A	N/A	Various	Various

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
			municipal area																	
	FM1. Enhanced municipal budgeting and budget implementation	FM1.1 Percentage of expenditure against total budget	FM1.12 Total Operating Expenditure as a percentage of Total Operating Expenditure Budget	Signed Excel spreadsheet as extracted from Budget statements for the period	New KPI	95%	40%	38.72%	-1.28%	Performance was below expectations	Target not achieved	Under exp is mainly o & main general expenditur interest and purchases Repairs maintenan Repairs and Maintenance, under expenditure is due to work that was allocated in Q2 but could	*Repairs & maintenance:* The under expenditure is being addressed and overseen by the Managing Director at the WAR room with a focus on spending all the	R684 808 781	R662 864 127	-	-	-	Various votes: 1414 votes	OPERATIONAL:MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE: EMERGENCY: SANITATION INFRASTRUCTURE: WASTEWATER TREATMENT: EARTHWORKS	

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												not be completed within the anticipated timeframe. Commitments were at 50% of the budget in Q2 and the delivery on some orders that were not completed in Q2 is expected to be completed in Q3.	budget before year end. *General expenses:* The pend planned the trans freight - managem contract ensure s expenditu during th quarter. ERWAT's to partic additional on the tra contract approved National in Decem just before of quarter expenditu the a							

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												General expenditu The transpor t and freight - Unders pending due to work that could not be complet ed as planned within the second quarter. The work had already comme nced in Q2 but could not complet ed within	health an items anticipate realised third Furtherm pending outcome PPE evaluatio award, may be make pr this cont realise budgeted expenditu Interest E The expense will be ad be more during th year adjustme Bulk purc The purchase for Johar Water								

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												the anticipated timeframe. Health, safety and protective clothing: The under expenditure is mainly due to the PPE tender that was budgeted for but not yet awarded (currently at the evaluation stage of award).	adjusted the budget ad to be aligned v anticipate expenditu Interest E The expense will be during th year adjustmer better alig the ar actual expenditu								

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												Furthermore, the expenditure on the PPE transversal contracts that is currently being utilised is limited to critical PPE items and doesn't include all the necessary PPE items required by ERWAT.									

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												Interest E the exp incurred w than expe to the interest r and the vo the interes general. Bulk purch Bulk purchas es, the varianc e is mainly due to the dispute with Johann esburg Water which has resulted in a reductio n in the amount s billed									

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
												to ERWAT for the 2025/2026 year which is less than what was originally budgeted for.									
	Financial Management	FM4.11	FM4.11 Irregular, Fruitless and Wasteful, Unauthorized Expenditure as a percentage of Total Operating	The Audited Annual Financial Statements for the previous financial year as finalized in January of the		0%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX		N/A	N/A	N/A	N/A	N/A	N/A

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
			Expenditure	following financial period for the previous financial period,																	
	FM5. Improved asset management	FM5.3 Percentage change of repairs and maintenance of existing infrastructure	FM5.31 Repairs and Maintenance as a percentage of property, plant, equipment and investment property	Statement of financial performance done at the end of the financial year. In the absence of the audited figures, unaudited	4%	8%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	OPEX					Various vote: includes Employee costs I, Repairs and maintenance		OPERATIONAL:MAINTENANCE: INFRASTRUCTURE: CORRECTIVE MAINTENANCE:

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																				
Metro Trading Services Cluster																				
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
				annual financial statements should be used.																	
	FM6. Improved supply chain management		FM6.13 Percentage of tender cancellations	Signed and dated SCM report containing tender cancellations in relation to the total number of tender business cases that were recorded,	New KPI	10%	10%	0%	-10%	Performance expectations were exceeded	Target achieved.	No bids were cancelled during Q2.	None	OPEX	N/A	N/A	N/A	N/A	N/A	N/A	N/A

2025/2026 DEPARTMENTAL PERFORMANCE INDICATORS AND SERVICE DELIVERY TARGETS																					
Metro Trading Services Cluster																					
Entity	Outcome	Performance Indicator (Outcome)	Performance Indicator (Output)	Portfolio of Evidence	Baseline (2024/25) Quarter 3	Annual Target (2025/26)	Target for 2025/2026 SDBIP per Quarter		Variation	Actual Output Rating	Progress on Targets	Reason(s) for Variation	Remedial Action	Resources Allocated for 2025/2026 SDBIP per Quarter		CAPEX Projects Details			OPEX Projects/Line items Details		
							Planned Target Quarter 2	Actual Output Quarter 2						Planned Budget Quarter 2	Actual Expenditure Quarter 2	CAPEX Vote Number	CAPEX Project ID	CAPEX Project Description	OPEX Vote Number	OPEX Project Description	OPEX Line-Item Description
				advertised and closed.																	

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

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

3.4.1 Plant/WCWs Specific Challenges

Quarterly Flows: The figure below illustrates the amount of sewage inflows the plants received in Q2, as compared to the available/design treatment capacity of each plant.

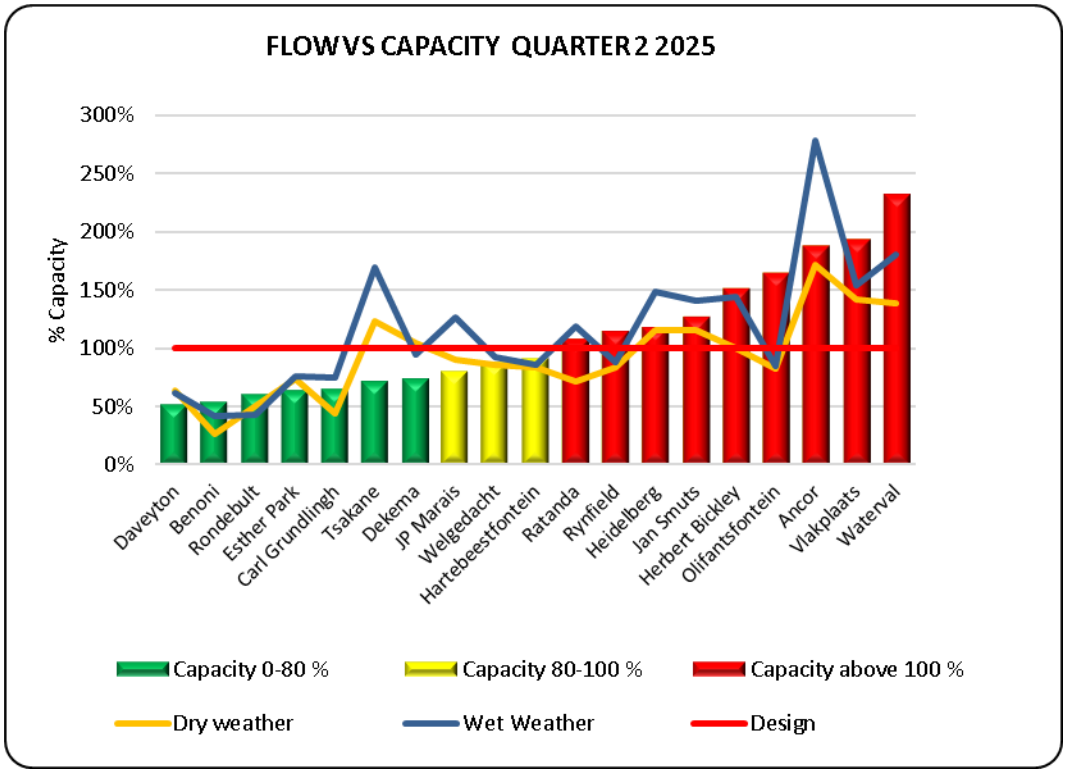


Figure 1: Q2 Flow Records per WCW: Flow vs Design Capacity

The Figure below shows the number of days in which the plants received excessive flows as compared to their available/design treatment capacity (for a specific population size), during Q2.

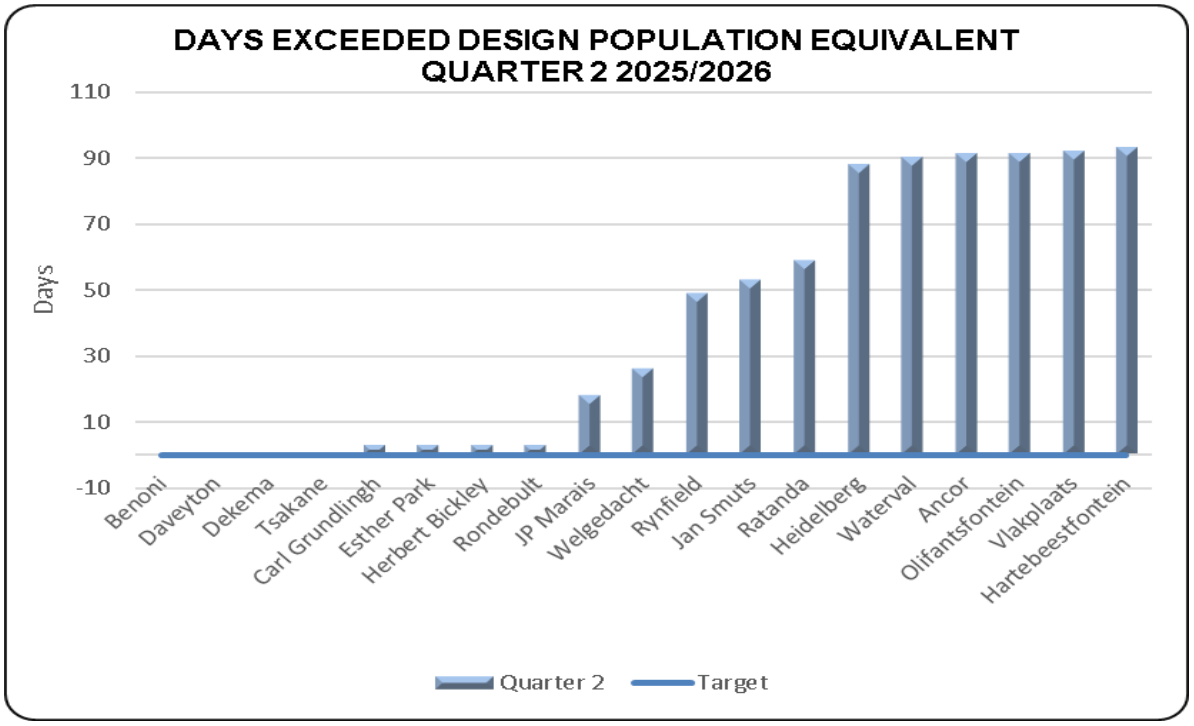


Figure 2: Q2 days Design Capacity was exceeded

Flow and Rainfall

	Design Hydraulic Capacity (Ml/d)	Quarter 2 2025/2026	Actual Rainfall Quarter 2 2025/2026
Ancor	15.00	28.15	268.00
Benoni	7.50	4.06	362.00
Carl Grundlingh	5.20	3.38	275.00
Daveyton	19.00	9.85	255.90
Dekema	31.00	22.86	313.00
Esther Park	1.40	0.89	227.00
Hartebeestfontein	63.00	57.67	395.00
Heidelberg	5.40	6.41	421.00
Herbert Bickley	15.10	22.81	314.00
Jan Smuts	6.00	7.61	404.00
JP Marais	15.00	12.20	443.00
Olifantsfontein	65.00	106.97	345.00
Ratanda	4.70	5.07	445.00
Rondebult	20.00	12.24	390.00
Rynfield	9.80	11.26	364.00
Tsakane	20.00	14.45	239.00
Vlakplaats	55.00	106.38	331.00
Waterval	170.00	392.95	146.00
Welgedacht	95.00	84.39	336.30

	Design Hydraulic Capacity (Ml/d)	Quarter 2 2025/2026	Actual Rainfall Quarter 2 2025/2026
Total	623.10	909.60	6274.20

A total of 78 964.92 Ml was treated in Quarter 2 2025-2026, at an average of 909.60 Ml/day, utilising 145.95% of the available treatment capacity, as compared with Q1 2025-2026 71 365.94 Ml was treated in Quarter 1, at an average of 820.32 Ml/day, utilising 131.62% of the available treatment capacity of the available capacity.

As can be noted in the above graph, during Q2 nine (9) out of nineteen (19) WCW were operating above their hydraulic design capacity, three (3) operating between 80% and 100% and seven (7) below their hydraulic design capacity.
In Q2 Waterval operating at 231%, Vlakplaats operated at 193%, Ancor operated at 188%, Olifantsfontein operated at 165%, Herbert Bickley operated at 151%, Jan Smuts operated at 127%, Heidelberg operated at 119%, Rynfield operated at 115% and Ratanda operated at 108% 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 78 964.92 Ml was treated in Quarter 2 2025-2026, at an average of 909.60 Ml/day

Organic Load

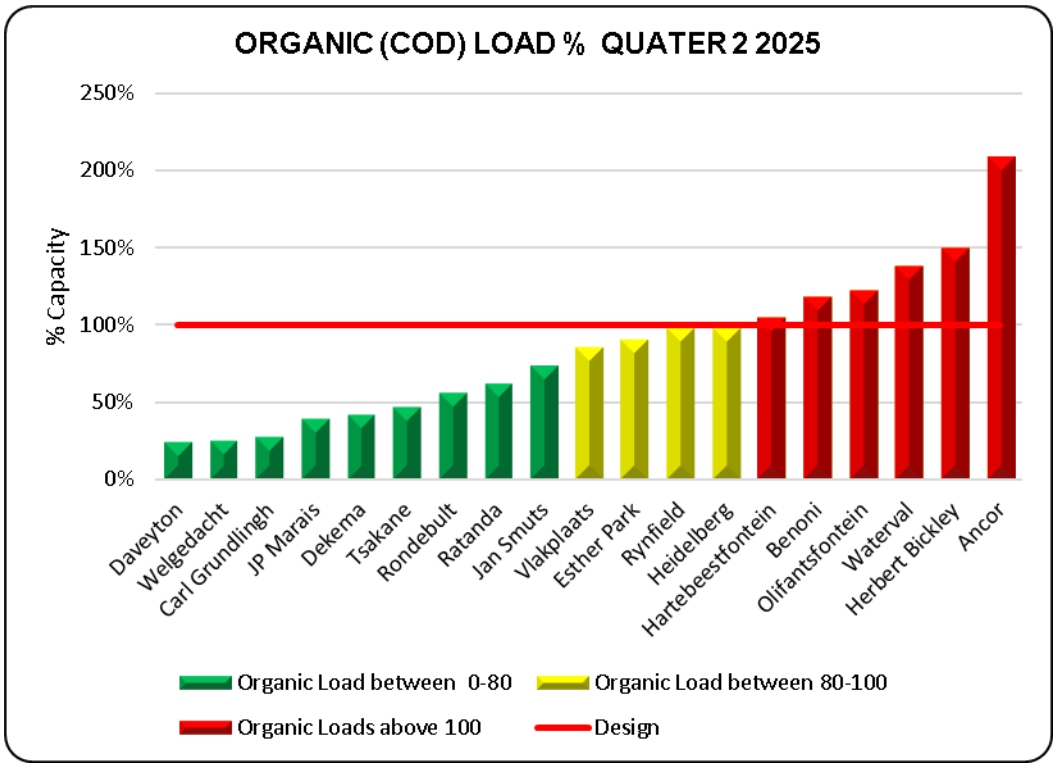


Figure 2: Q2 Organic Loads per WCW

As can be noted, 6 (six) WCW operated above 100% organic load, 2 (two) operated between 80 and 100% of the organic load and 9 (nine) below their design capacity during Q2 2025-2026 as compared to 7 (seven) WCW operated above 100% , 2 (two) operated between 80 and 100% of the organic load and 10 (ten) below their design capacity design capacity during Q1 2025-20

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 =98% Chemical = 99% Micro = 91% Average compliance for Q2=96%	Plant operated at 54% of re-graded hydraulic capacity in Q2	Plant operated at 118% of re-graded organic capacity in Q2 due to pollution from industries	There were abnormal flow fluctuations in Q2, due to broken rising main on Tom Jones pumpstation	There were 28 high strengths of COD, 2 high strengths of NH3 and 1 red-pink coloured water from industrial pollution in Q2	There were 13 Level 3 Equipment failure occurred in Q2.	There was a total of 2 unplanned power failures which lasted for a duration of 90 hours Q2	Open digesters walls are cracking,	None	None	Dried sludge is stockpiled on the plant	Unlined sludge paddies and maturation ponds could cause possible ground water pollution in Q2.	None	None	Sludge classification is B1a for drying beds and B1a for stockpiled. Sludge. Samples were taken to the Laboratory on 24/08/2025 for analysis of	Road is accessible	Portable water is available

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
															the new sludge classification. Screenings and grits that are generated at the plant, are collected by CoE.		
Esther Park	Esther Park did not comply with overall WUL effluent standards with	Plant operated at 64% of hydraulic capacity.in Q2	Plant operated at 90% of organic capacity in Q2	The plant experienced abnormal fluctuations inflows in Oct-Dec	Plant received industrial high strength effluent 17 times	Two Alert Level 3 Equipment failures occurred in Q 2 (Compactor, Screw	There were 8 power outages Oct - Dec 2025 for	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	Drop in water pressure occasionally that affects chlori

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical =70% Chemical = 43% Micro = 82% The average compliance target of 84% was not achieved with the overall compliance of 65% in Q2.			2025 (Q2). On 2 Dec 1.53 Ml/D and 22 Dec 1.67 Ml/d was received. The average inflow was 0.89 Ml/d (64%).	out of 92 days during Oct-Dec 2025(Q2).	Conveyor	duration of 110 hours.									compacted.	ne dosing.
Hartebeestfontein	Hartebeestfontein did not comply	Plant operated at	Plant operated at 104%	The plant experienced	Plant received industr	29 Alert Level 3 Equipment	There were 2 unpla	Aging infrastructure:	Digester 1, 4,6 and 9	There was no veld	470802 kg of dry sludge	Borehole two has	Sinkhole next to the	License amendment	Sludge classification is B2b,	The grading was	There was 4 portable

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	with overall WUL effluent standards with compliance of Physical = 69% Chemical = 61% Micro = 16% The average compliance target of 50% was not Achieved with the overall complia	92% hydraulic capacity in Q2	of organic capacity in Q2	fluctuations inflows in October to December 2025 (Q2) due to rainfalls with an average flow of 59Ml/d.	ial high strength effluent 36 times out of 92 days during October-December 2025 (Q2).	failures occurred in Q2.	nned power outages in October-December 2025 (Q2).	chlorine, thickeners, clarifier 2-4 bridge and siphons.	sludge recirculation nozzles blocked. Digester 1-9 feeding lined was blocked. Constant blockage of digester feed lines (1-9) PST 2 & 3 Blocked	fires experienced in October-December 2025 (Q2)	was irrigated to the 200 hectares farm in Q2	high concentration of Nitrates.	fence towards FST 5 & 6 and around the Farm.	with relaxation on Electrical conductivity, Ammonia, E.coli.	not suitable for the intended purpose; this requires further engagement with the farmer.	done around the fence in May 2024.	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
	nce of 49%																
Olifantsfontein	Olifantsfontein did not comply with overall WUL effluent standards with compliance of Physical = 68% Chemical = 59% Micro = 95% The average compliance target of 60% was	Plant operated at a hydraulic capacity of 165 % in Q2 25-26	Plant operated at 122% of organic capacity for Q2 25/26	There were abnormal fluctuations of inflows in Q2 25-26 With ranges of 80.26 - 116.85 Ml/d in Oct 2025, 93.49-175.02 Ml/d in Nov 2025, and 80.45 – 103.04	Plant received industrial high strength effluent (very high Electrical Conductivity above 100 mS/m) with 71 days out of 92 days In Q2. Plant also	9 Level 3 Equipment failures occurred in Q2.	There were 4 power outages for a total of 48 hours in Q2	Module 3 Anaerobic digesters and module 1, 2 and 3 reactors.	1 of 6 digesters.	There was 0 veld fire incident reported in Q2	Total sludge of 481666 kg of sludge was produced in Q2.	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	Olifantsfontein WUL is stringent on Ammonia of < 2mg/l, SS of 15 mg/l and EC of < 80 mS/m.	Sludge is classified into three streams: (1). Dewatering unit(B3a), the sludge not suitable for cultivating crops such as fruits trees (2). Drying beds (A3a),	Road to upstream sampling point need to be graded and there is high erosion on the banks. To be reported to the CoE..	Yes, there is a water leak that is reoccurring and resulting in water loss

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	Achieved with the overall compliance of 74%			Ml/d in Dec 2025. For the month of Dec Plant received low flows due to water cuts in the surrounding areas	experiences fine sand ingress, and fats pollution that solidifies in sedimentation tanks as scum.								March 2024. All sinkholes still not rehabilitated		No restrictions and requirements apply 3) Grit and screenings are collected by service provider from the water works to the registered landfill.		
Rynfield	Rynfield did not comply with overall	Plant operated at 115	Plant operated at 97%	There were fluctuations	None	1 Level 3 Equipment	There were 2 powe	Pavement, Digesters,	3 of 4 digesters are	There was no	Dried sludge is stockpil	Unlined sludge	None	None	CoE collects screen	Road is accessible	Portable water is

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	WUL effluent standards with compliance of 82 Physical = 99% Chemical = 71% Micro = 77% The average compliance target of 65% was achieved with the overall compliance of 82%	% of re-graded hydraulic capacity in Q2, which was higher than design capacity.	of re-graded organic capacity for Q2	of the flows received during the Q2 due to high rainfall received and low flows caused by collapsed pipe at N12 pumpstation.		failures occurred in Q2.	r outages in Q2 with a duration of 12 hrs	Reactor tank and Bio-feeder structures are cracked	blocked due to defective desludging valves	veld fire incident in the plant in Q2.	ed at the plant.	paddies, contact tank and maturation ponds could cause possible ground water pollution			ings and grits from the inlet works. Dried sludge is stockpiled at the plant		available

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
Ancor	Ancor complied with overall WUL effluent standards with compliance of Physical = 80% Chemical = 64% Micro = 87% Average compliance for Q2=77%	Ancor received an average inflow of 27.86 (188%) ML/day in Q2, higher than the design capacity of 15 ML/d.	Plant operated at 208% of its organic capacity, with an average incoming COD of 843 mg/l, higher than the design COD limit of 760 mg/l.	Ancor received storm water ingress during Q2, with a total rainfall of 207mm. However, WCW experienced low flows due to illegal miners diverting flow from Daggafontein	Plant received high COD industrial effluent in 46 out of 92 days.	Chlorinator was broken and affected disinfection for 5 days during Q2.	There was were 2 unplanned power outage incidents incident during Q2 which lasted for a total of 14 hrs.	Bio filter flow division boxes partially collapsed, humus tanks/ PST's- and digesters structures are crumbling /cracked. Ancor also do not have a chlorine contact tank	1 digester blocked with sand and 2 are partially in operation. This cause the plant to run out of sludge handling capacity, which prevent proper desludging and	No Veld fires occurred during Q2.	Stockpile area not lined. Stockpiles on plant is a risk due to veld fires and environmental pollution	Unlined sludge paddies pollute underground water.	Area around humus tanks and final effluent channel are dolomitic according to Geotech study performed.	N/A	CoE/MCC removes solid waste (screenings and grit) and transport it to the designated landfill. Dried is dried in unlined sludge paddies and, stockpiled when it dry and	Access road to the plant is in bad condition with lots of potholes.	About 6 taps inside the plant and 3 geysers at the houses are leaking and wasting portable water

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
				pumpstation to their activities and a manhole on the main supply pipeline to Strubenvale pumpstation being blocked.				for disinfection.	resulting in non-compliances.						given to the local farmers.		
Daveyton	Daveyton complied with overall WUL effluent standards in Q2 with	Plant operated at 52% of its hydraulic capacity	Sufficient capacity. Plant operated at 24% of its organi	Numerous sewer blockages in the CoE network, pump	N/A. Domestic only.	19 Level 3 Equipment failures occurred in Q2 which was the Genera	17 power failures totalling 74 hours in Q2.	CCT and Inlet works channel sometimes leaking.	N/A	No veld fires in Q2.	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	The was portable water supply interruption to

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 100% Chemical = 100% Micro = 99% The average compliance target of 90% was Achieved with the overall compliance of 100%	in Q2.	c capacity in Q2.	failures at Etwatwa ext.10 pumpstation and power supply interruption to Etwatwa ext.10 pumpstation.		tor at the BNR, BNR fine screen, chlorine dosing system, compactor at inlet and WAS pipe line to sludge lagoons.		Do not have direct impact on the operation of the plant at the moment									the plant for 7 days, due to burst pipe that supplies portable water to the plant.
Jan Smuts	Jan Smuts complied with overall	Plant operated at 127	Plant operated at 73% of its	54 days of High incomi	Plant received industrial	Q2, had 2 critical equipment	7 Power outages	Humus Tanks scum board	None	None	Dried sludge is stockpil	Unlined sludge stockpile	No	No	Screenings are removed by	Fair	Rand Water

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	WUL effluent standards with compliance of Physical = 86% Chemical = 70% Micro = 98% The average compliance target of 70% was Achieved a with the overall compliance of 85%	% of its hydraulic capacity	organic capacity.	ng flows in Q2	high strength effluent on 8 of the 92 days in Q2.	failures for November and December 2025.The Generator and both Booster pumps 1 and 2 were faulty	(156 hours total) due faulty cables at Van Eck sub station, Generator backup was operational	s, digester number 2's wall, drying beds' walls and the bio-filters' feed flow division box/tower.			ed on site.	area can cause groundwater pollution.			an approved contractor to an approved landfill site. This practice does comply with WUL conditions.		
JP Marais	JP Marais	The plant	Plant operat	N/A	N/A	16 Alert level 3	6 powe	N/A	N/A	No veld	Sludge pumped	Some boreh	No dolo	N/A	Screenings	N/A	No issue

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
	complied with the overall WUL standard for Q2 was 99%. Physical = 100%, Chemical = 98% and Micro = 98%	operated at 12.2 ML/d which is 81% of the design capacity.	ed 39% of the design organic capacity.			equipment failures were reported in Q2 which included: BNR and Inlet works generator changeover units, BNR generator fuel pipe, PST fine screen and conveyor motor	r failures for Q2 which amounted to 40 hours were reported for Q2			fire incident experienced in Q2	to Welgedacht, where it is treated.	oles polluted. Ongoing monitoring of boreholes.	mitic soil		and grit removed and disposed of at landfill site		s relating to portable water reported for Q2

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
						trippages, Office generator malfunction, chlorine change over unit and Degritter pump blockage.											
Welgedacht	Welgedacht didn't achieve to comply with overall WUL effluent standards with compliance	Plant operated at a hydraulic capacity of 89% in Q2	Sufficient capacity Plant operated at 25% organic capacity. Under Achiev	During Q2, Works experienced low flows during rainy season from 22 October	Welgedacht received 2 colored influent, 1 fats,5 foam and High EC and	25 critical equipment failures occurred in Q2 2025/26, tripping aerator 13 and 2, Module	3 power outage unplanned power outages which lasted for 9	Module 1 electrical panel for aerators and digesters at module 2	Digester no.2 waste line was blocked, unblocked on 03 December 2025.	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	Gravel access roads are in very bad condition and very slippery	No potable water supply to the plant. Borehole water is used for

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 = 83% Chemical = 83% Micro = 89% The average compliance target of 81% was achieved with an overall compliance of 85%	25-26	ement.	2025 due to blocked MC Comb sewer line unblocked on 03 November 2025 and again Link 1 from Daveyton blocked from 03-06 November 2025 unblocked 06 nivemebr 2025.	PH noticed as possible industrial pollution during Q2.	1 inlet works genset, Module 2 Reactor A gen-set, ceased module 2 inlet blower, classifier screwn o.1 and 2 at module 1,compressors at both inlets, Dewatering belt no.1, mixers at module 2 reactor	hours due transformer failure at ESKOM substation.								site. This practice does comply with WUL conditions.	when wet.	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
						A, Tripping poly pump at dewatering, Ras pump and recycle pumps, PST waste and recycle pumps RAS screen and dewatering wash water pump no.3.											
Carl Grundlingh	Carl Grundlingh complie	Plant operated at	Plant operated at 28%	none	none	None	There were 3 unpla	BNR structure	None	No veldfires report	Land application of sludge	Unlined sludge to land	None	None	Contractor removes	Access road to the	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
	d with overall WUL effluent standards with compliance of Physical = 100% Chemical = 95% Micro = 92% The average compliance target of 88% was Achieved with the overall compliance of 96%	65% hydraulic capacity in Q2	organic capacity in Q2				nned power outages with a total of 23hours hours for Q2			ed in Q2	is being used	posing ground water pollution			solid waste (screenings and grit).and dispose at licensed solid waste site.	plant is damaged and requires an upgrade.	

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
Heidelberg	Heidelberg complied with overall WUL effluent standards with compliance of Physical = 100% Chemical = 74% Micro = 100% The average compliance target of 80% was Achieved with the	Plant operated at 119 % of its hydraulic capacity	Plant operated at 98% of organic capacity	High incoming flows above the design of the 5.4 Ml/d	The plant received 7 high CODs and 17 high NH3s levels that are above the design in the current quarter.	Total critical equipment failure in this quarter is 3, which is made up of repositioning of 2 aerators at module 1 in November,call-out on 3rd of of December for the electrician to check the	Heidelbergh had 34 unplanned power outages with a duration of 147 hours. Diesel used was 8 046 L	The joint sealants of Carousel reactor concrete wall are damaged	None	None	Sludge at the plant stockpiled after dewatering, and is also applied/ irrigated to the lands and could potentially contaminate ground water resources	Unlined sludge paddies/lack of groundwater monitoring in the sludge paddies	None	None	Contractor removes solid waste (screenings and grit).and dispose at licensed solid waste site.	The access road to Heidelberg works requires a new-tarred road is required urgently	Leakage on the pipeline to the inlet works due to a rusted pipeline.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	overall compliance of 91%					power at the inlet works and also on 11th of December to assist with power outage at the inlet works.											
Herbert Bickley	Physical = 95% Chemical = 89% Micro = 91% Average compliance= 92%	Bickley operated at 151 % of the regraded hydraulic	The organic load is 149% of the organic capacity	The plant continues to experience high flows	15 industrial pollution incidents reporter 14x high COD incide		24 power failure incidents lasting for 361 hours	Biofilter module structure cracked and the anaerobic digest	Anaerobic digester underflow line blocked	0	none	Groundwater analysis fluctuates showing signs of pollution	none		CoE collect screenings and grit while sludge is used for cultivat	Roads are damaged	

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
		capacity			nts and 1x high NH3			er structure also cracked							ion of lawn		
Ratanda	Ratanda complied with overall WUL effluent standards with compliance of Physical = 99% Chemical = 92% Micro = 93% The average compliance target of 85% was	WCW operated at 108 % of its hydraulic capacity	WCW operated at 61% of organic capacity	Leaking feeding pipe to the WCW	WCW experienced 2 high incoming COD might be due to illegal dumping on the manhole	Generator failure	WCW experienced 14 unplanned power outages for a duration of 122 hours	Drying beds drainage system and chlorine contact tanks are badly leaking structures	N/A	No veldfires occurred during Q3.	Dried sludge is stockpiled on-site.	Unlined sludge ponds and leaking drying beds	None	None	Screenings and grit generated at the plant are still being buried and this practice is not environmental friendly	The access road to Ratanda Works is severely damaged and a new-tarred road is required urgently	No link to the Municipal Potable Water Supply, water transported from Heidelberg Works and borehole water is used for

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 95%																other domestic purposes
Tsakane	Tsakane complied with overall WUL effluent standards with compliance of Physical = 98% Chemical = 87% Micro = 95% The average compliance target of	Plant operated at 72% hydraulic capacity in Q2	Plant operated at 47% organic capacity in Q2	none	none	None	There was 3 unplanned power outages with a total of 51hours hours, 15 load reduction with total of 75 hrs	None	None	No veldfires reported in Q2	Sludge pumped to unlined lagoons /paddies for solar drying	Unlined sludge lagoons and paddies and lack of groundwater monitoring at the sludge lagoons due to sample not yet analysed and paddie	None	None	Screenings and grit collected by City of Ekurhuleni (CoE) and MCC contractor to a dedicated landfill site	None	Potable water leaks around the plant and hostel. created a wetland.

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
	75% was Achieved with the overall compliance of 93%						for Q2.					s. Unfenced drying paddies.					
Dekema	Dekema complied with overall WUL effluent standards with compliance of Physical = 77% Chemical = 84% Micro = 87%	Plant operated at 74% of hydraulic capacity	Incoming organic concentration was within design organic capacity. Plant operated at 42% organic	The plant received an average of 22.86 ML/d for Q2 and 313 mm total rainfall measured for Q2 at the plant.	Plant received inflow that contained industrial effluent with high NH3 1 out of 92 days.	7 x Level 3 Equipment failures occurred in Q2. 2 x Mechanical fine screen, 1 x Humus motor (bridge), 1 X Washwater	23 power outages occurred in Q3 for 113 hours in total. 2 x Unplanned power outag	Channels feeding sections partially collapsed. Biofilters and digesters wall are cracked.	1 out of 12 Anaerobic digesters is blocked	No veld fires occurred during Q2	Sludge pumped to unlined sludge paddies for solar drying and dried sludge spread to land area to be ploughed into land	Unlined sludge paddies. Screenings and grit are disposed of to suitable landfill that is lawful accord	None	N/A	Screenings and grit generated at the plant are disposed to suitable landfill that is lawful according to the	The access road to Dekema WCW needs to be tarred as it gets muddy and slippery during	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
	The average compliance target of 75% was achieved with an overall compliance of 83%		capacity			pump, 1 x sludge pump, 1 x High mast light, 1 x Ferric chloride pump	es for 14 hours, and 21 load reduction for 99 hours.					ing to the NEMA.			NEMA. A Service Provider screenings and grit transport to authorised landfill site courtesy of CoE	rainy season.	
Rondebult	Rondebult complied with overall WUL effluent standards with	Plant operated at 61% of hydraulic capacity	Plant operated at 56% organic capacity	The plant received an average of 12.27 ML/d for Q2 and highes	Plant received high COD industrial effluent on 8 of 92 days	10 Level 3 Equipment failures occurred in Q2. 0 critical equipm	10 x Outages with the total hours of 95.49 hours occur	Channels feeding sections partially collapsed. Biofilte	1 of 6 digesters is blocked	No veld fires occurred during Q2	Sludge pumped to unlined paddies for solar drying and dried sludge spread	Unlined sludge lagoons, Collection and transportation of	The entire area of the plant are dolomitic	N/A	Collection and transportation of waste (screening and grit) to	The access road in and around the plant are deteriratin	Potable water pipeline rusted and needs to be

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	compliance of Physical = 94% Chemical = 92% Micro = 86% The average compliance target of 90% was achieved with the overall compliance of 91%			t flow recorded was 31.84 Ml/d. Total rainfall measured during Q2 at the plant was 390 mm.		ent reported during the month of October 2025. 5 x critical equipment reported during the month of November2025. 5 x critical equipment reported during the	red during Q2.	rs and digesters wall are cracked. Biofilter walls cracked. Brick work of open channels are unstable, collapsing and cracked. The feed pipe from the primary biofilte			to land area and ploughed into land. WUL noncompliant and an audit finding.	screenings, grit disposed of at a registered hazardous waste landfill sites			a waste disposal site done by service providers.	g and will need attention	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
						month of December 2025		rs 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									

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
								have cracks. Digester #6 dome has open/ visible cracks on the surface. Office building cracked and leaking during heavy rainfalls									
Vlakplaats	Vlakplaats didn't comply with overall	Plant operated at 193	Plant operated at 86% of	The plant received an averag	Plant received industrial	30 Level 3 Equipment failures	1 Outages occur (35	Office building, Biofilters,	Most digesters are full of	No veld fires occurred	Dried sludge is stockpiled on	Unlined Matur	Area around bio filters at	N/A	Screenings and grit tender	Access road to DBF	0 days water supply cut

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	WUL effluent standards with compliance of Physical = 87% Chemical =71 % Micro = 37 % The average compliance target of 47% was achieved with the overall compliance of 65 %	% of hydraulic capacity. Needs to be upgraded	organic capacity	e of 110 ML/d for Q2 and highest flow recorded was 205 Ml/d. Rainfall measured at the plant was 331 mm. Fluctuation of inflow is due to inconsistent Pump	high strength effluent on 0 of 91 days	occurred in Q2. - Namely :1 x damaged electrical cable at main supply DBF dosing station 30 x failure of Module 1-4 Level 3 Equipment failures occurred in Q2. 33 x failure of raw sludge pumps	hours in total) faulty cable supplying power to the sotto unding areas.	Digesters have some cracks.	sand and require to be emptied and cleaned. Contractor started cleaning module A digesters and thi Q2 they are busy with module C digesters.	during Q2.	the drying beds. Demand for instant lawn application is seasonal	ation Pond.	Mod A are dolomitic		is awarded generated solid waste at the plant is disposed to landfill site starting from the 1 Feb 2023	dosing station is slippery during rainy season	incidents were experienced during Q2.

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
				stations.		1x failure of Gensets.											
Waterval	Waterval complied with overall WUL effluent standards with compliance of Physical = 98% Chemical = 92% Micro = 85% The average compliance target of 80%	Plant operated above hydraulic capacity (operated at 231 % capacity)	Plant operated at 137% organic capacity.	Average flow of up to 392.48 Ml/day received due to developments and bypasses from upstream plants. Total rainfall of 146 mm was receiv	Plant operated at 139% organic capacity.	13 alert level 3 Critical equipment failures occurred in Q2 2025/2026 Mainly from ,6 x Blowers failure, 2 x inlet screens failure, 4 x sludge to land pump failure,	0 Hours planned blower outage	None	None	0 veld fires at sludge land occurred during Q2	Dried sludge is stockpiled on the plant and paddies. Demand for agricultural applications is seasonal.	Unlined Emergency dams and paddies.	None	N/A	Screenings and grit generated at the plant are now disposed at landfill site, this to prevent underground seepage	N/A	0 days water supply cut incidents were experienced during Q2.

Plant	Non-compliance of final effluent	Hydraulic Capacity	Organic Capacity	Abnormal fluctuations in inflow	Industrial effluent	Level 3 Equipment Failure	Power outages	Ageing infrastructure	Blocked digesters	Veld fires	Sludge stockpiling	Groundwater pollution	Dolomitic soil	Very Strict WUL standard	Solid Waste Management	Access Roads	Potable water
	was Achieved with the overall compliance of 92%			ed in Q2		1 x chlorine dosing regulator failure.											

3.4. Service Delivery Highlights and Challenges

This section includes all minor and 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.
The City of Ekurhuleni and ERWAT undertook a comprehensive “Wastewater Conveyance and Treatment Systems Regionalisation and 50-year Master Plan" that will give strategic direction for future wastewater system extensions/consolidation planning, investment and implementation for the next fifty (50) year planning horizon. The plan covers all the Water Care Works operated by ERWAT and conveyance systems within the CoE operational area with the intention to optimize existing WCW systems and wastewater conveyance systems.

3.5.1 Running Projects

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

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

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

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

3.5.1.3 Scientific Services Projects

This project involves the strategic procurement, installation, and commissioning of high-precision analytical laboratory instrumentation. The primary focus is to replace obsolete equipment at the Hartebeestfontein Office Park (Scientific Services) laboratory. Q2 CAPEX included the procurement of high-capacity UPS backup systems for the Microbiology Wing and other Analytical Instruments for the laboratory.

3.5.1.4 Medium Voltage (MV) Infrastructure Upgrade Program

During Quarter 2, ERWAT maintained its strategic focus on the modernization of the electrical "backbone" across its various Water Care Works (WCW). The MV Upgrade Project is a multi-year initiative aimed at mitigating the risks of power instability and equipment obsolescence. Key activities this quarter centred on the procurement and installation of MV Switch Gears, Ring Main Units (RMUs), and specialized cabling to establish a redundant and resilient network.

3.5.1.5 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, Office equipment and Feasibility studies for smaller projects. ERWAT reports on all capital expenditure, including minor projects, as part of ERWAT's financial reporting requirements.

3.5.2 CoE Funded Wastewater Care Works (WCW) Capacity Upgrade.

In an effort to alleviate the immediate pressures faced by the institution, the City of Ekurhuleni (CoE), through their Human settlement department, Water and Sanitation department and the Enterprise Programme Management Office (EPMO) have initiated the implementation of mega projects and have made funding available to kick start the process of appointing Professional Service Providers to undertake the designs of the identified WCWs. 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

ERWAT has officially taken over the management of five key expansion projects following the latest panel appointments. Below is an overview of the scope and progress to date for each of these identified urgent Water Care Works upgrades.

3.5.2.1 Waterval WCW.

The scope of work entails provision of additional 250ML/d treatment Module for Waterval WCW and the respective Refurbishment/upgrade of existing Modules.

The Inception (Stage 1) and Preliminary Design (Stage 2) phases have been completed by the City of Ekurhuleni. ERWAT has since appointed a service provider to complete the remaining stages, with the Detailed Design (Stage 3) scheduled to begin in Quarter 3.

3.5.2.2 Olifantsfontein WCW.

The scope of work entails the additional 50ML/d treatment Module and restoration of the current regraded 65 ML/d back to 105ML/d design capacity.

The Inception (Stage 1) and Preliminary Design (Stage 2) phases have been completed by the City of Ekurhuleni. ERWAT has since appointed a service provider to complete the remaining stages, with the Detailed Design (Stage 3) scheduled to begin in Quarter 3.

3.5.2.3 Vlakplaats WCW.

Upgrade/refurbish existing works (Restore current regraded 55 ML/d to 83ML/d) design capacity. Provision has not been made for additional capacity for the WCW due to the Regionalization strategy which has capped the capacity of the plant and diverting the additional flow to the Waterval WCW. The initial strategy was to Cap the flow at 55 ML/d, however due to the demand of the plan, it was determined that the plant capacity needs to be restored.

The Inception (Stage 1) phase is complete, and the Preliminary Design (Stage 2) is currently underway. The Detailed Design (Stage 3) phase is scheduled to commence in the 2025/2026 financial year upon completion of the current phase.

3.5.2.4 Welgedacht WCW.

Provision of additional 60ML/d treatment Module for Waterval WCW and the respective Refurbishment/upgrade of existing Modules.

The Inception (Stage 1) and Preliminary Design (Stage 2) phases have been completed by the City of Ekurhuleni. ERWAT has since appointed a service provider to complete the remaining stages, with the Detailed Design (Stage 3) scheduled to begin in Quarter 3.

3.5.2.5 Ancor WCW.

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.

The Inception (Stage 1) and Preliminary Design (Stage 2) phases have been completed by the City of Ekurhuleni. ERWAT has since appointed a service provider to complete the remaining stages, with the Detailed Design (Stage 3) scheduled to begin in Quarter 3.

3.5.3 Department of Human Settlements (DHS) Funded Wastewater Care Works Capacity Upgrade.

Department of Human Settlements (DHS) Gauteng had initiated and funded the capacity upgrade and refurbishment of the Ratanda WCW of the new development of Obed Mthombeni Nkosi which lies within the Lesedi Local Municipality.

3.5.3.1 Ratanda WCW.

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.

Construction of the project is ongoing. Foundation work preparation is sitting at 100%.

Construction of BNR Reactor at 95%, Dewatering Slabs at 100%, Dewatering Structures at 80%, Flow Control Chamber at 95%, splitter box and RAS at 90% and Electrical House at 95%. The project practical completion is estimated in March 2026.

3.5.4 The summary of the implementation of Mega Projects at the six ERWAT Water Care Works (WCW)

While ERWAT operates 19 Water Care Works, six(6) have been prioritized due to critical capacity overloads (some operating at over 150% of design capacity) and their proximity to major "Mega City" housing developments. Based on recent performance reports, these include the WCWs presented in Table 6 below.

Table 3: Key Milestone Progress for Six Mega Capacity Upgrade Projects to Date

No	Project Name	Project Stages	Implementation Status
1	Waterval WCW Upgrade	Inception	Completed
		Preliminary Design	Completed
		Detail Design	Kick-off (PO stage)
2	Olifantsfontein WCW Upgrade	Inception	Completed
		Preliminary Design	Completed
		Detail Design	Kick-off (PO stage)
3	Ancor WCW Upgrade	Inception	Completed
		Preliminary Design	Completed
		Detail Design	Kick-off (PO stage)
4	Welgedacht WCW Upgrade	Inception	Completed
		Preliminary Design	Completed
		Detail Design	Kick-off (PO stage)
5	Vlakplaats WCW Upgrade	Inception	Completed
		Preliminary Design	Ongoing
6	Ratanda WCW Upgrade	Detail Design	Completed
		Construction	Work in progress

3.5.5 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.

3. Financial Report

Table 5: Operational expenditure

Description	Original Budget	Budget Q2	Actual Q2	YTD Budget	YTD Actual	Quarterly Variance	YTD Variance
	R	R	R	R	R	%	%
EXPENDITURE BY TYPE							
Employee Related Costs - Salaries & Wages	584 132 502	146 033 126	119 964 978	292 066 251	238 759 258	**-17,85%**	**-18,25%**
Remuneration of Directors	3 245 394	811 349	593 897	1 622 697	929 141	**-26,80%**	**-42,74%**
Bad Debts (Provision for Bad Debts)	1 829 993	457 498	(33 340 117)	914 997	(2 387 946)	**-7387,49%**	**-360,98%**
Impairment (gain)/loss	10 500 000	2 625 000	-	5 250 000	-	**-100,00%**	**-100,00%**
Depreciation	110 587 740	27 646 935	27 725 625	55 293 870	57 505 630	**0,28%**	**4,00%**
Repairs and Maintenance	208 932 431	52 233 108	14 148 916	104 466 216	79 749 860	**-72,91%**	**-23,66%**
Interest Expense	35 624 424	8 906 106	4 551 677	17 812 212	9 302 335	**-48,89%**	**-47,78%**
Bulk purchases	519 296 249	129 824 062	86 591 796	259 648 125	200 710 692	**-33,30%**	**-22,70%**
General Expenses - Other	237 873 219	59 468 305	45 989 929	118 936 610	78 295 157	**-22,66%**	**-34,17%**
TOTAL OPERATING EXPENDITURE	**1 712 021 952**	**428 005 488**	**266 226 701**	**856 010 976**	**662 864 127**	**-37,80%**	**-22,56%**

Analysis of expenditure performance

The total overall underspending in the 2nd Quarter can be attributed to the following reasons:

1. Employee related costs: Major contributing factor to manpower under expenditure:
   The number of vacancies that were expected to be filled during Q2 were not realised which resulted in under expenditure on the manpower costs. It is expected that the outstanding vacancies will be filled by year-end, subject to the completion of the recruitment process.

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

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

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

5. Repairs and maintenance:
   Repairs and Maintenance, under expenditure is due to work that was allocated in Q2 but could not be completed within the anticipated timeframe. Commitments were at 50% of the budget in Q2 and the delivery on some orders that were not completed in Q2 is expected to be completed in Q3.

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

7. General expenditure:
   The transport and freight - Underspending due to work that could not be completed as planned within the second quarter. The work had already commenced in Q2 but could not completed within the anticipated timeframe.

   Bulk purchases:
   Bulk purchases, the variance is mainly due to the dispute with Johannesburg Water which has resulted in a reduction in the amounts billed to ERWAT for the 2025/2026 year which is less than what was originally budgeted for.

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

Table 6: Capital expenditure

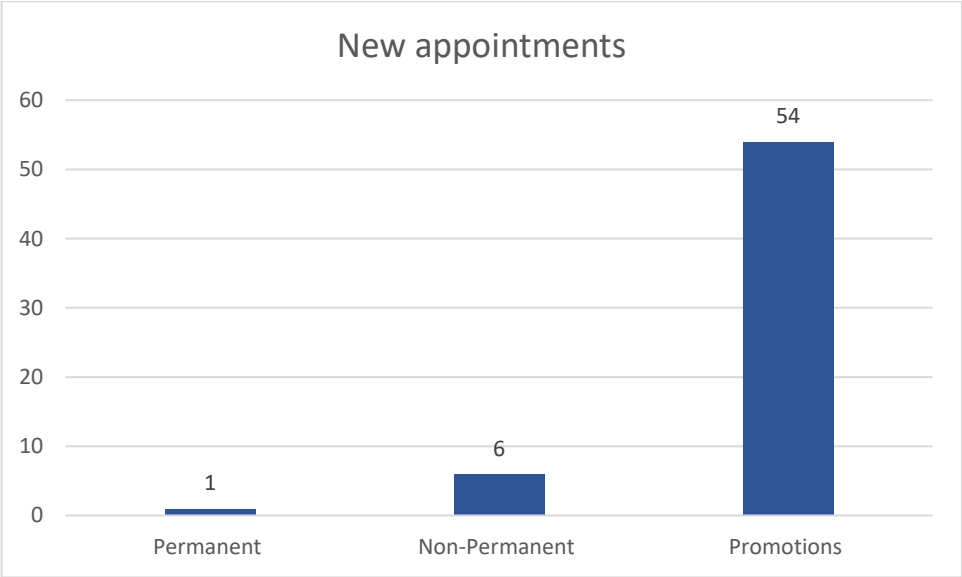
Project Detail	**Total Original Budget**	**Total Revised Budget** (applicable only after Adjustment)	**Budget for Quarter**	**Actual for Quarter**	**Variance**	**Total Budget Cumulative (Q2)**	**Actual for FY** (Yr. to date)	**Variance for year** (Yr. to date)	**% Completion**
CAPEX PROJECT	R294 995 612,00	-	R 58 999 124.40	R 69 281 729,06	+ R 10 282 606.66	R103 248 464.20	R113 621 593.20	+R10 373 129.000	38.52%

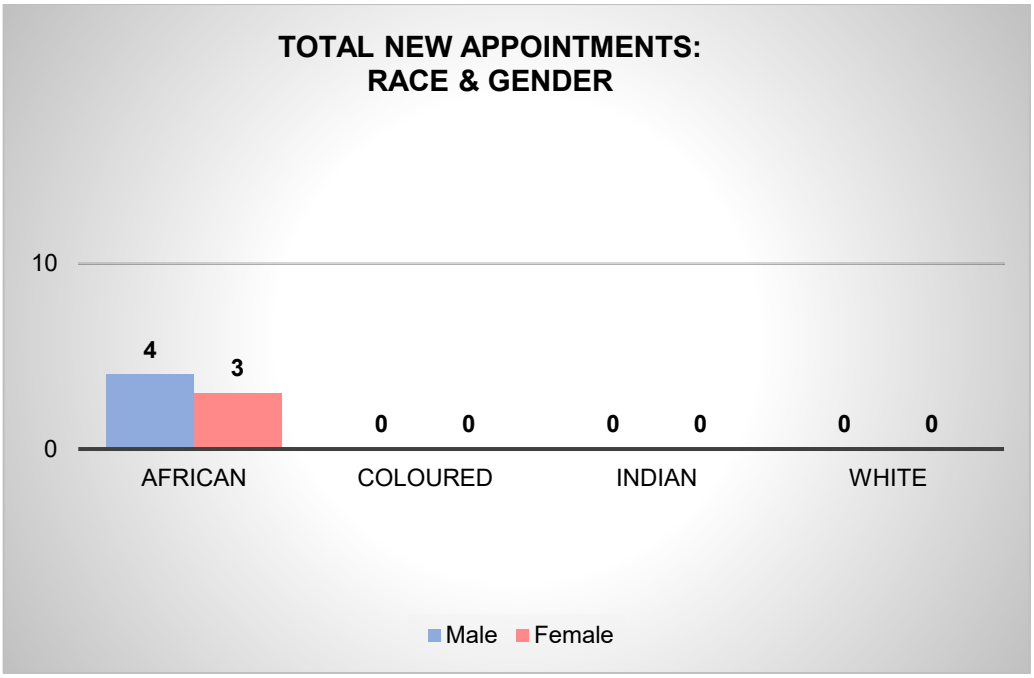
4. Human Resources

4.1 Staff Movements

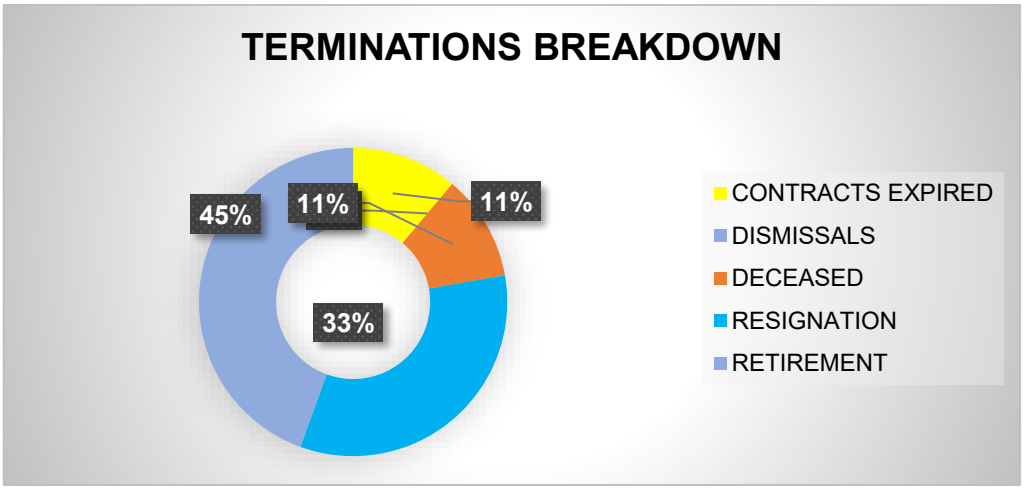
Staff Movements	African		Coloured		Indian		Whites		Total
	Male	Female	Male	Female	Male	Female	Male	Female	
Recruitments	4	3	0	0	0	0	0	0	7
Resignations	2	1	0	0	0	0	0	0	3
Retirements	2	1	1	0	0	0	0	0	4
Contract Expired	0	0	0	1	0	0	0	0	1
Dismissals	0	0	0	0	0	0	0	0	0
Deceased	1	0	0	0	0	0	0	0	1
Promotions	36	17	0	1	0	0	0	0	54

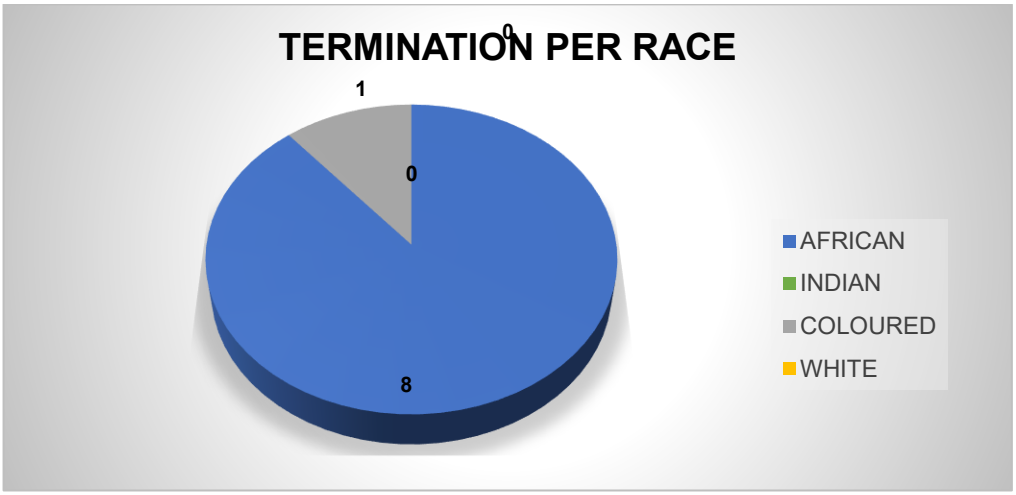
4.1.1 Appointments





4.1.2 Terminations

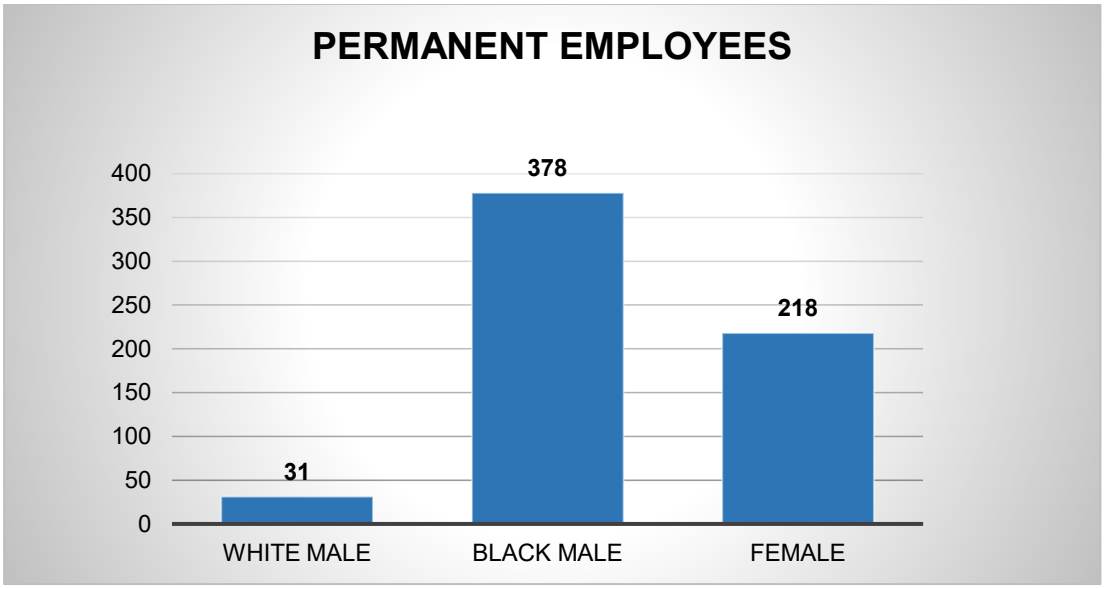




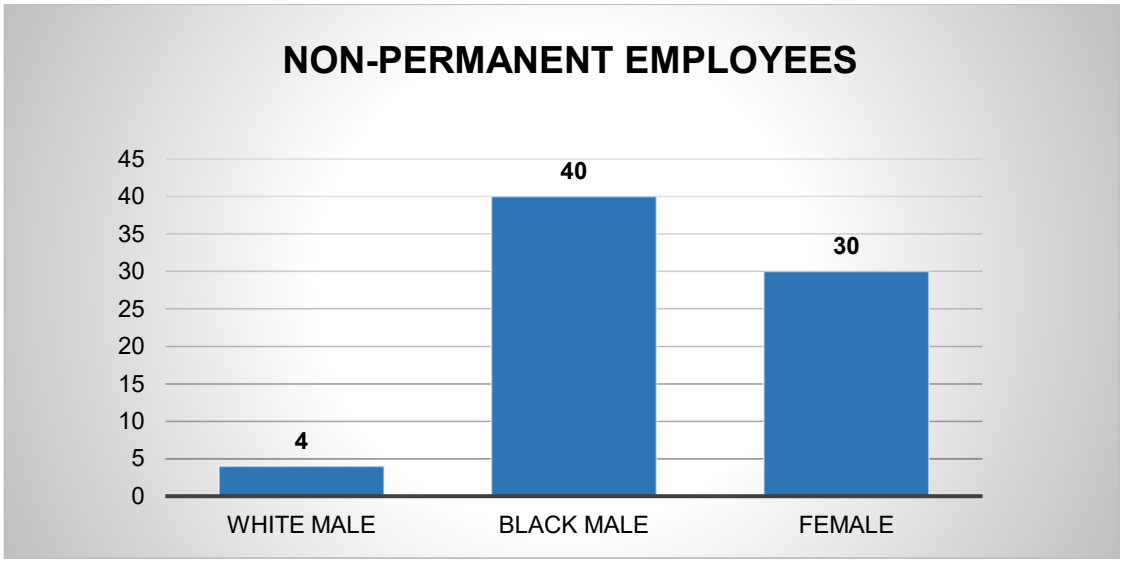
Status Analysis

- During the period under review, 7 employees were appointed.
- During the period under review, 9 employees exited the organisation for the following reasons:
    - 1 contract expired.
    - 3 employees resigned.
    - 1 employee passed away and
    - 4 employees went on retirement during the period under review

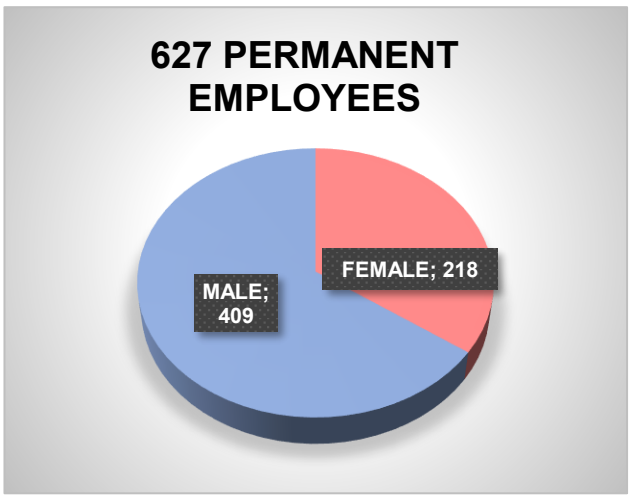
4.2 Employment Equity Demographics

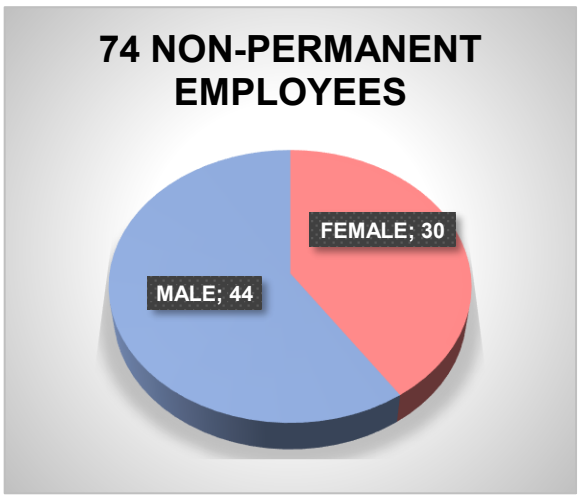


ERWAT has **627** permanent employees.



ERWAT has **74** non-permanent employees.





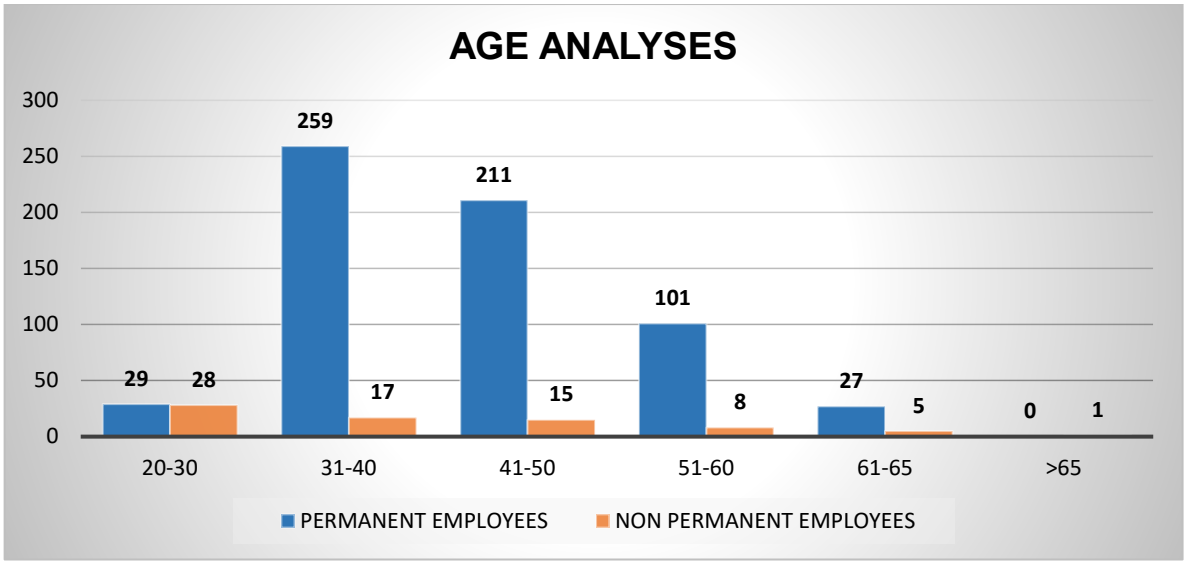
Status Analysis

- The employment demographics of ERWAT as at 31 December 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 453 or 65% of total positions filled.

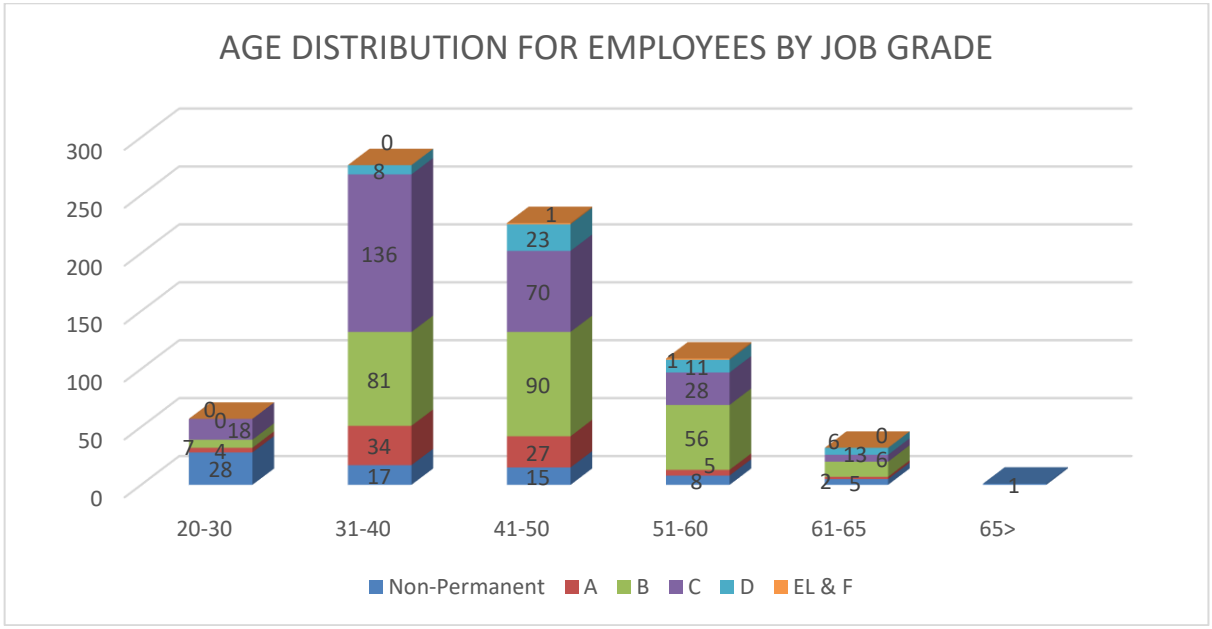
4.3 Employment Equity Update

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

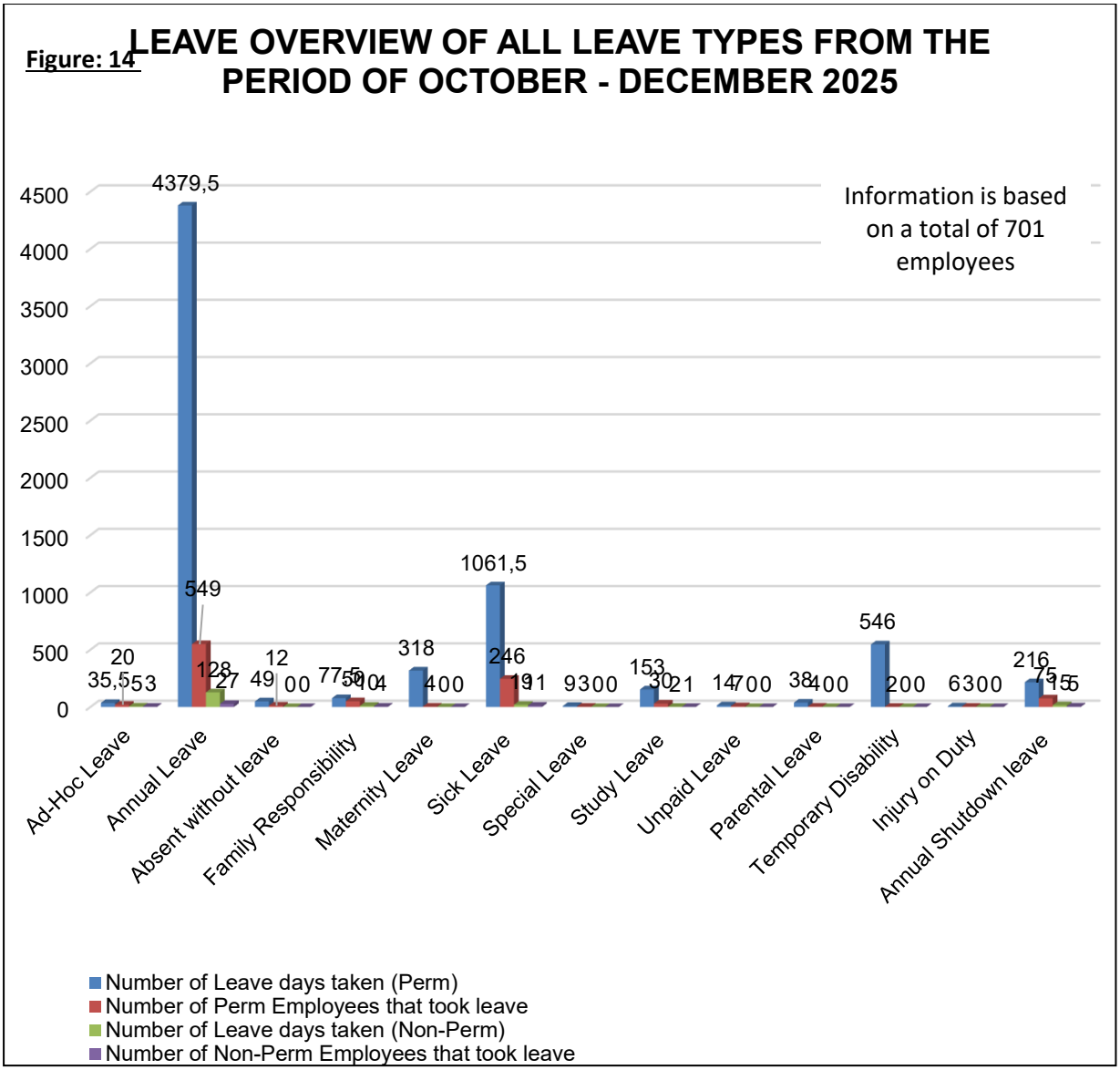


- Average age as at 12/2025 = 36



4.4 Leave Management

Figure: 14



Status Analysis

- Total number of employees who took sick leave during the period under review are 246. The total sick leave taken equates to an approximate minimum of 4.3 days per employee.

4.5 Overtime Trends

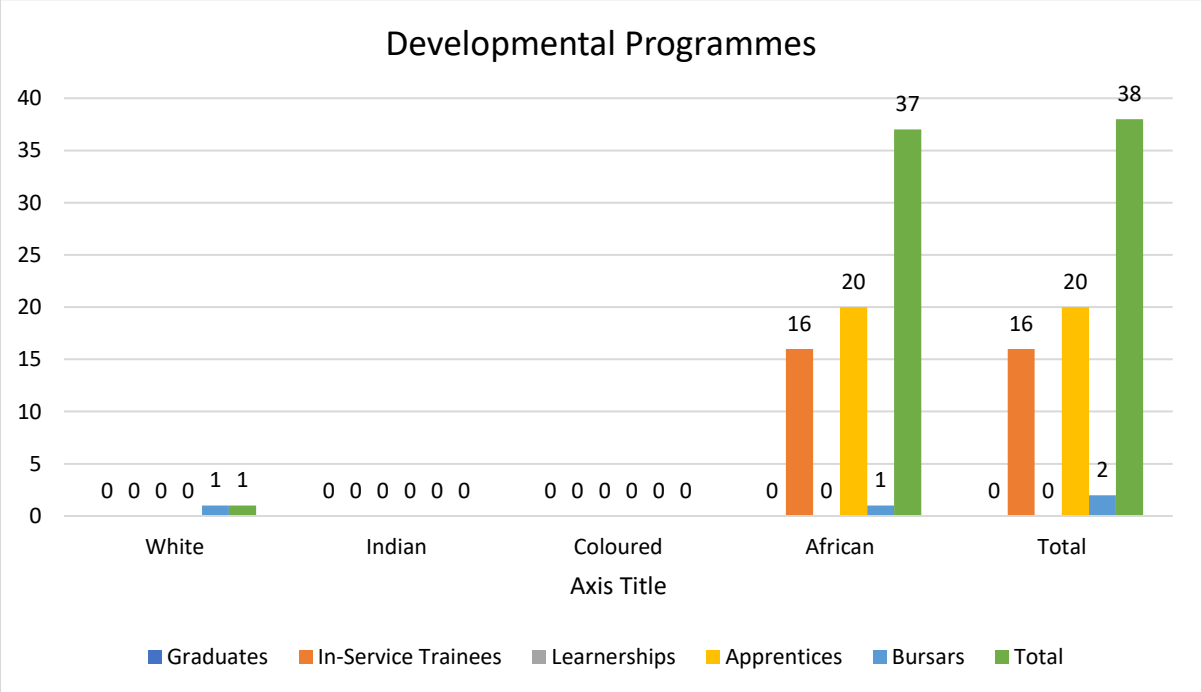
		Quarter 1		Quarter 2	
Department	**2025/2026 Annual Budget**	**Hours**	**Expenditure**	**Hours**	**Expenditure**
Office of the MD	0	0	0	0	0
Security	426 480,00	176,00	77 068,99	165,00	71 992,55

		Quarter 1		Quarter 2	
Department	**2025/2026 Annual Budget**	**Hours**	**Expenditure**	**Hours**	**Expenditure**
Company Secretariat	70 839,00	0	0	0	0
Financial Services	268 118,00	51,33	20 432,74	34,00	9 989,39
Human Resources	30 528,00	0	0	0	0
Strategy, Monitoring and Evaluation	39 011,00	0	0	0	0
Maintenance	4 180 029,00	3 044,50	959 161,43	3 418,50	1 130 552,81
IPAP	0	0	0	0	0
Scientific Services	2 529 744,00	1 870,99	648 487,77	1 786,00	618 224,19
Commercial Business	2 636 778,00	2 682,90	471 774,85	2 146,50	351 168,12
Operations	9 508 859,00	9 072,50	2 369 319,02	8 295,50	2 228 306,98
Total	**19 690 386,00**	**16 898,22**	**4 546 244,81**	**15 845,50**	**4 410 234,04**

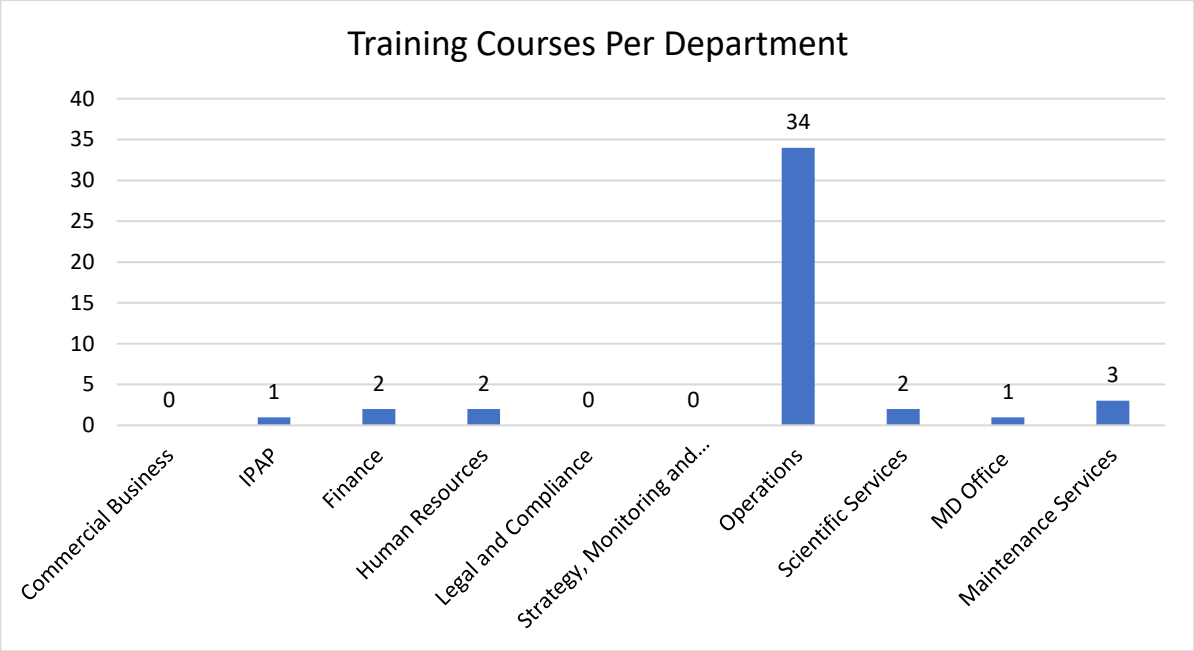
- *Overtime is monitored and approved by management, as per the needs of the various business units.*

4.6 Training and Development

The reporting period saw **38 employees** attending various training interventions.

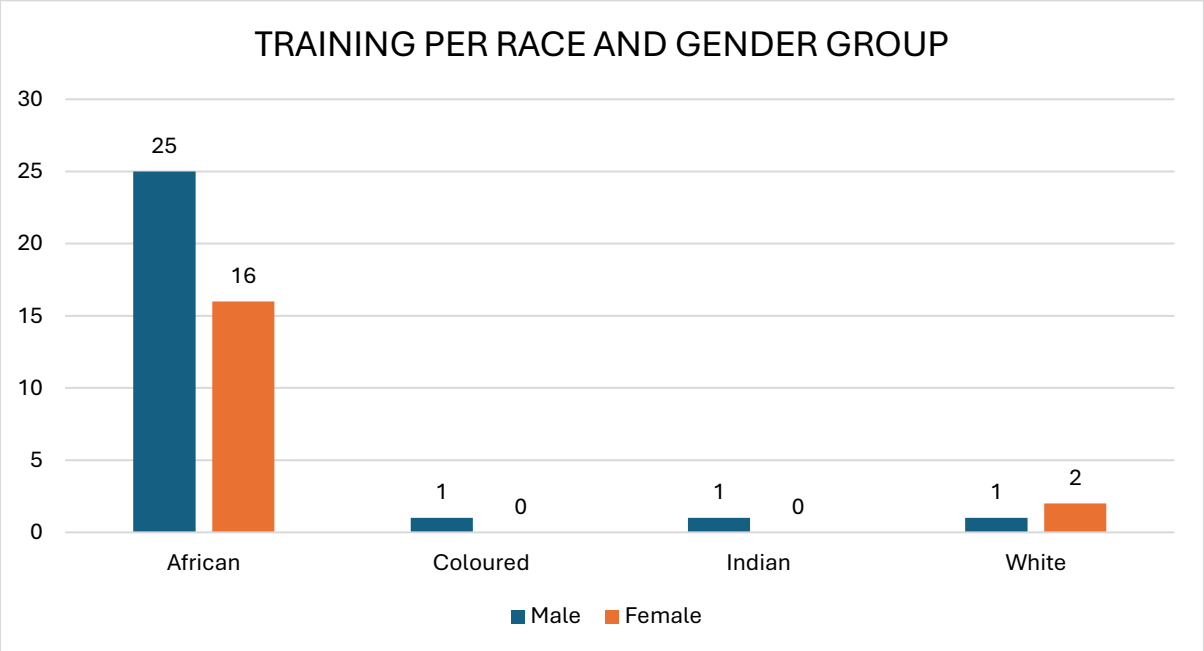


- **In-service trainees:** The Q2 reporting period reflects a total of 15 In-Service trainees, comprising **(9)** from **Commercial Business** and **(6)** from **Scientific Services**.
- **Bursars:** We have **2 external bursary** beneficiaries.



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

- **35** ERWAT Staff members attended the **IR & Disciplinary Training between** 05th -27th November 2025.
- **10 Operations** Staff members sre currently enrolled on the **BAWETI -Technical Skills Development – Wastewater Management** 06th – 10th October 2025.



Training per race and gender to date.

- 25 African Males
- 16 African Females
- 1 Coloured Males
- 0 Coloured Female
- 1 Indian Male
- 0 Indian Female
- 1 White Male
- 0 White Female

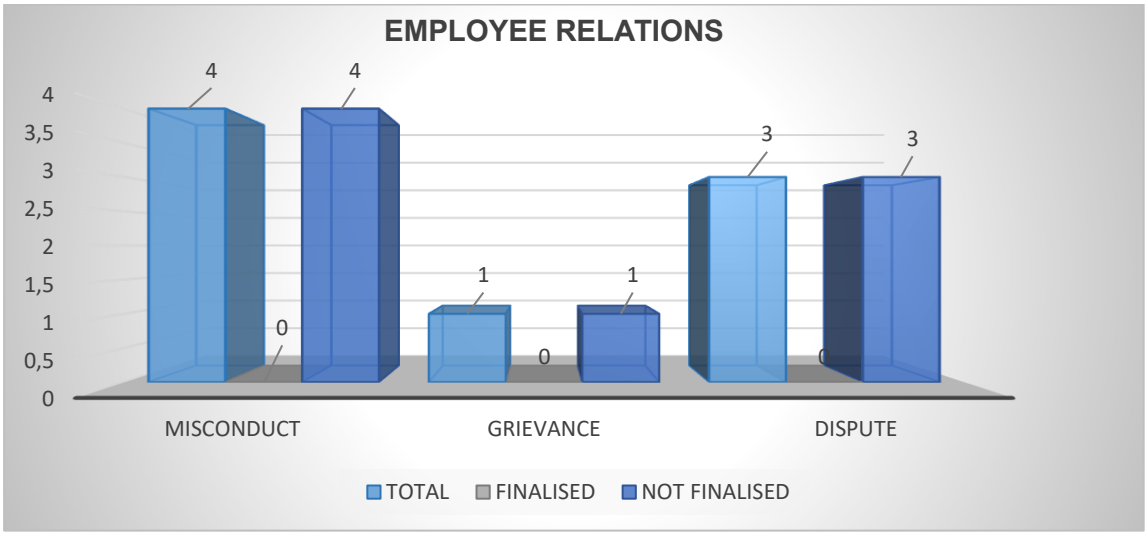
4.7 Performance Management

Status Analysis

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

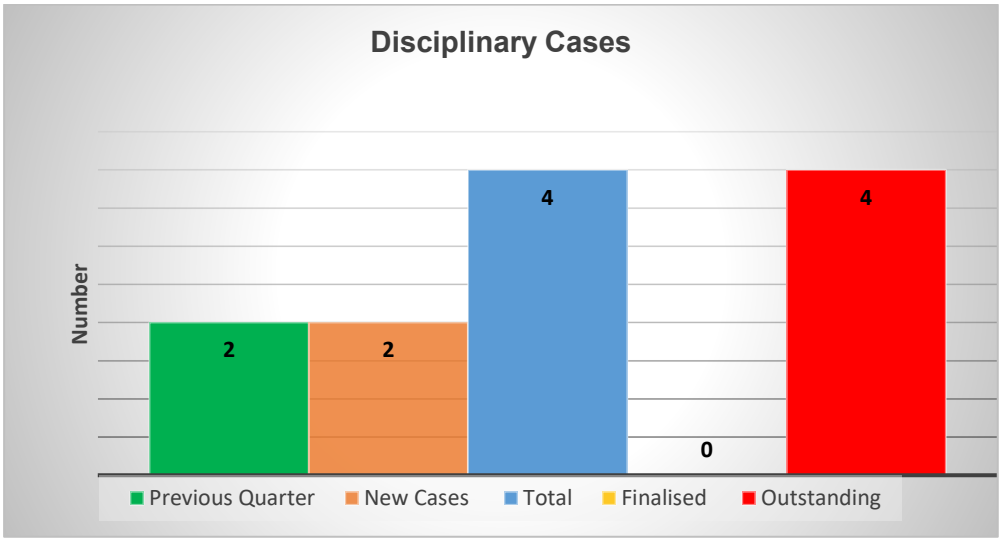
4.8 Employee Relations

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



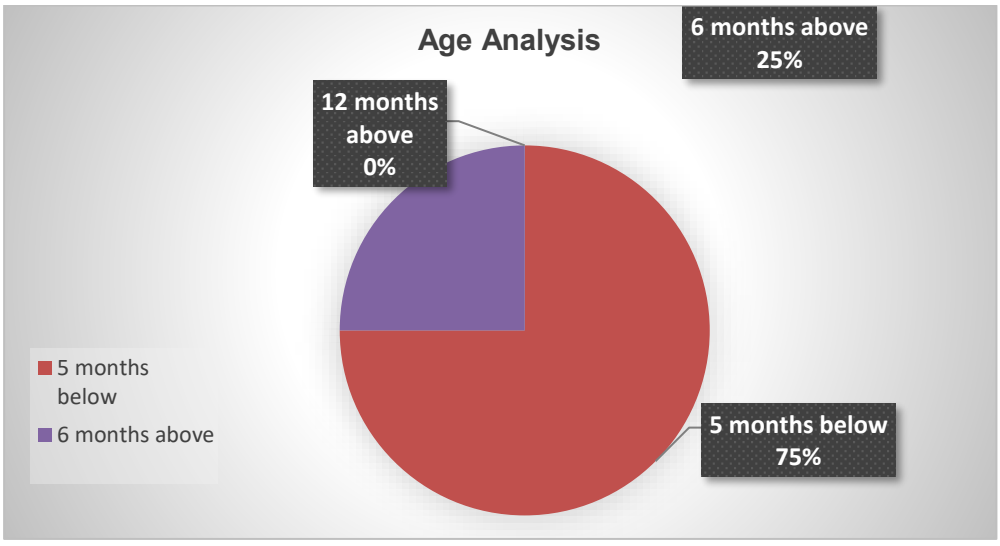
4.8.1. Disciplinary Cases

- Two (2) cases were not concluded in the previous quarter, hence brought forward.
- Two (2) new cases were received; the total for all disciplinary cases is four (4). The total number of cases finalized is zero (0), with a remaining balance of four (4) cases outstanding.



4.8.2. Age Analysis of Disciplinary Cases

- The age analysis of the four (4) cases outstanding, 75% are below five (5) months, and 25% are below twelve (12) months old.

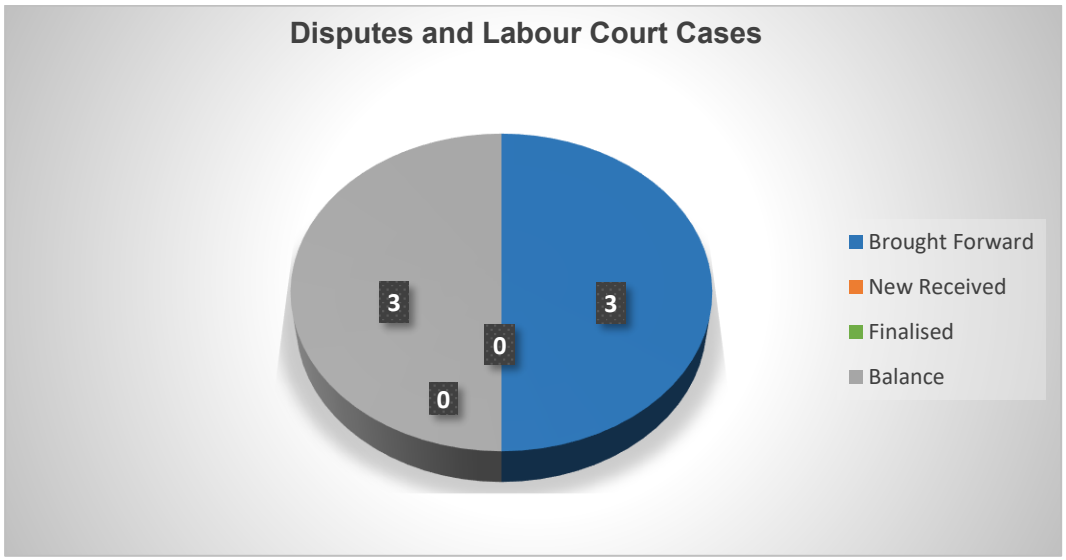


The age analysis of the two (2) outstanding cases is as follows:

- Cases that are less than 1 month old = 0
- Cases that are one (1) month old =0
- Cases that are two (2) months old = 0
- Cases that are three (3) months old =0
- Cases that are four (4) months old =0
- Cases that are five (5) months old =3
- Cases that are six (6) months old =0
- Cases that are seven (7) months old = 0
- Cases that are eight (8) months old = 1
- Cases that are more than twelve (12) months old = 0

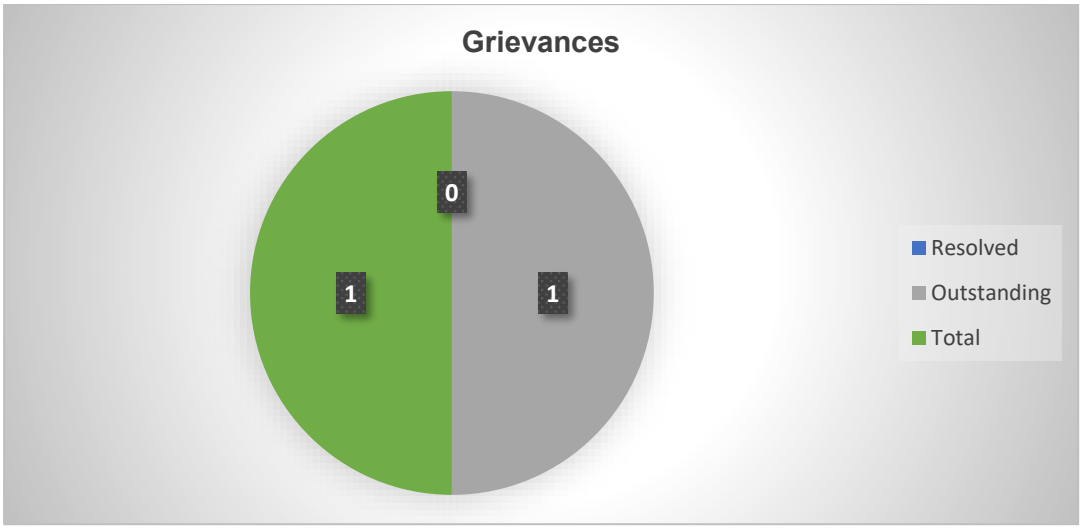
4.8.3. Disputes, Arbitrations & Labour Court Cases

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



The graph illustrates the statistical data of disputes at the Bargaining Council and Labour Court, as at the end of Q2, with three (3) cases still pending

4.8.4. Grievances



The total grievances outstanding is one (1).

4.8.5. Suspensions

There is no suspension for the period under review.

4.9 Employee Wellness Programme & OHS

ERWAT Occupational Health Services offers Wellness Programme as follows:

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

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

- Life Health Solutions has been contracted to provide Psychosocial Support Services for all ERWAT employees. Services include:
    - 7 days a week and 365 days a year, telephonic counselling, and support services
    - Wellness training
    - Life Management Services (Legal Wellness, Financial Wellness, Family Care Support, HIV Aids Counselling, Medical Advisory Services, Education and Support Services)

- Musculoskeletal Health Management
- Critical incident stress debriefing or trauma interventions
- Managerial Consultancy and Referral Services (Managerial referrals, Custodian referrals, Absenteeism,
- Incapacity Consultancy Services)

The period under review – Q2,

- A medical surveillance drive facilitated through Health Services was conducted by Innovo Mobile Health Services (Current Service Provider) in October and November 2025, where approximately 146 employees from different work areas in ERWAT participated, and 127 medical reports were received. Outstanding reports will be forwarded to Health Services once all employees who did not complete some of their various medical examination processes have done so.

- Life Health Solutions conducted counselling for various work-life challenges, with approximately 36 employees consulting via telephonic communication, including trauma debriefing given to 26 employees following the death of a colleague at ERWAT Head Office Auditorium in December 2025.

4.10 Percentage of Salary to OPEX.

	Quarter 1	Quarter 2	YTD - Actual
Total Manpower Cost	119 129 524,00	120 558 875,00	239 688 399,00
Total Operational Expenditure	396 637 426,00	266 226 701,00	662 864 127,00
% of Salary to OPEX	**30%**	**45%**	**36%**

Note: The ratio between the % of Salary to the Operational Expenditure are influenced by the total expenditure for the Quarter, 41% seems high, but it is reflective of the under expenditure of the OPEX budget for Q1.

5. Procurement Practices, Job Creation and Mainstreaming

ONE (1) bid was awarded during Quarter 2 (Annexure A)

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

1.1 The bid was awarded to various service provider(s). Below is a summary of bidder'(s) BBBEE scorecard:

1.1.1 IMBAWULA TRADING ENTERPRISE (100% HDI ownership), with 60% black woman ownership and falls within the EME B-BBEE scorecard. The bidder is operating outside the COE area.

1.1.2 MJT CONSULTING ENGINEERS 01 (100% HDI ownership), with 0% black woman ownership and falls within the EME B-BBEE scorecard. The bidder is operating outside the COE area..

1.1.3 IX ENGINEERS (56.31% HDI ownership), with 43% black woman ownership and falls within the GEN B-BBEE scorecard. The bidder is operating outside the COE area.

1.1.4 2MC CONSUTLTING ENGINEERS (100% HDI ownership), with 0% black woman ownership and falls within the GEN B-BBEE scorecard. The bidder is operating within the COE area (Edenvalle).

1.1.5 NEMORANGO CONSULTING ENGINEERS (100% HDI ownership), with 55% black woman and youth ownership and falls within the QSE B-BBEE scorecard. The bidder is operating outside the COE area.

1.1.6 RALEMA CONSTULTING (100% HDI ownership), with 0% black woman ownership and falls within the QSE B-BBEE scorecard. The bidder is operating outside the COE area.

1.1.7 DLV PROJECT MANAGERS AND ENGINEERS (PTY) LTD (100% HDI ownership), with 15% youth ownership and falls within the QSE B-BBEE scorecard. The bidder is operating outside the COE area.

1.1.8 IKHUBA HOLDINGS (100% HDI ownership), with 100% black woman and youth ownership and falls within the QSE B-BBEE scorecard. The bidder is operating within the COE area (Kempton Park).

1.1.9 TANGOS CONSULTANTS (100% HDI ownership), with 51% black woman ownership and falls within the EME B-BBEE scorecard. The bidder is operating 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.

ANNEXURE A - SUMMARY OF GEYODI OF AWARDS FOR QUARTER 2 (PERIOD OCTOBER 2025 - DECEMBER 2025)

ANNEXURE A - SUMMARY OF AWARDS

	QUARTER 2				
CATEGORY	**OCTOBER**	**NOVEMBER**	**DECEMBER**	**YEAR TO DATE TOTAL Q2**	**% OF YEAR TO DATE TOTAL**
0% HDI / JURISTIC PERSON	R0,00	R0,00	R0,00	R0,00	0%
1-50% HDI	R0,00	R0,00	R0,00	R0,00	0%
51-99% HDI	R0,00	R0,00	R2 191 783,87	R2 191 783,87	17%
100% HDI	R0,00	R0,00	R10 958 919,35	R10 958 919,35	83%
TOTAL	**R0,00**	**R0,00**	**R13 150 703,22**	**R13 150 703,22**	**100%**
SIZE OF COMPANY	**OCTOBER**	**NOVEMBER**	**DECEMBER**		
LARGE	R0,00	R0,00	R4 383 567,74	R4 383 567,74	33,33%
MEDIUM	R0,00	R0,00	R8 767 135,48	R8 767 135,48	66,67%
SMALL	R0,00	R0,00	R0,00	R0,00	0,00%
MICRO	R0,00	R0,00	R0,00	R0,00	0,00%
TOTAL	**R0,00**	**R0,00**	**R13 150 703,22**	R13 150 703,22	**100%**
AWARDS MADE TO:	**OCTOBER**	**NOVEMBER**	**DECEMBER**		
BLACK FEMALE 01-50%	R0,00	R0,00	R2 191 783,87	R2 191 783,87	
BLACK FEMALE 51 - 99%	R0,00	R0,00	R2 191 783,87	R2 191 783,87	
BLACK FEMALE 100%	R0,00	R0,00	R0,00	R0,00	
FEMALE 0 - 100%	R0,00	R0,00	R4 383 567,74	R4 383 567,74	
MILITARY VETERANS	R0,00	R0,00	R0,00	R0,00	
PWD	R0,00	R0,00	R0,00	R0,00	
YOUTH	R0,00	R0,00	R4 383 567,74	R4 383 567,74	
BBEEE SCORE CARD	**OCTOBER**	**NOVEMBER**	**DECEMBER**		
EME	R0,00	R0,00	R0,00	R0,00	0,00%
QSE	R0,00	R0,00	R8 767 135,48	R8 767 135,48	66,67%
GENERIC	R0,00	R0,00	R4 383 567,74	R4 383 567,74	33,33%
TOTAL	**R0,00**	**R0,00**	**R13 150 703,22**	R13 150 703,22	**100%**
AWARD MADE TO	**OCTOBER**	**NOVEMBER**	**DECEMBER**		
COE-BASED COMPANIES	R0,00	R0,00	R2 191 783,87	R2 191 783,87	16,67%
NON-COE BASED	R0,00	R0,00	R10 958 919,35	R10 958 919,35	83,33%
	R0,00	**R0,00**	**R13 150 703,22**	**R13 150 703,22**	**100%**

6. Risk Management

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

Table 11: Risk Assessment

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
ERW1	**Inadequate Infrastructure to treat wastewater in line with Green Drop standards**	CF1.1	Inadequate integrated planning between CoE and ERWAT (industrial growth and human settlements)	#REF!	CC1.1	The Service Delivery Agreement between the CoE and ERWAT formalizes the scope, deliverables, and performance benchmarks for municipal wastewater management.	Satisfactory	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: Negotiations with the City are ongoing to ensure that ERWAT receives its payment on time	In Progress: Preliminary draft report to be tabled at EXCO in the next quarter	Quarterly
					CC1.2	Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.		Negotiate with CoE for the tariff charged to be structured, reflective of costs drivers in the value chain, inclusive of organic tariffs for polluters. CoE function only comprises of maintaining pump stations and conveyance.	In Progress: Negotiations are ongoing with the CoE to ensure that the tariff structure is reflective of all cost drivers	In Progress: Work in progress in developing a formula to consider the variables in managing WCW	Quarterly
		CF1.2	a) Aging and inadequate infrastructure to treat high strength industrial effluent due to lack of		CC1.2.1	Grant Funding to offset Capex budget deficit (Urban Settlement Development Grant)	Weak	Initiate implementation of project utilising Developers Contribution to leverage funding (Hartbeespoort WCW)	Action not yet started: Progress to be reported in quarter 2	Action not yet started	31 March 2026

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

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
			of readily available spares			Management Strategy that is implemented		maintenance of priority infrastructure identified	Repairs of Electric Motors , Ferric Dosing Systems **<u>Following Contracts Are at Bid Evaluation Stage</u>** Mechanical Suporting Services , Mechanical Spares **<u>Following Contracts Are at Bid Specifications Stage</u>** Electrical Spares , Pump Repairs and Instrumentation and Screw Pumps (BSC)	(Repairs of Electric Motors; Ferric Dosing) **Following Contracts are at BAC** (Mechanical Spares) **Following Contract awarded** (Mechanical support services awaiting SLA) **Following Contract are at BSC** Screw Pumps; (Instrumentation; Repair of pumps; Repair of Blowers) Following Contract on advert (Electrical Spares)	
					CC1 .3.2	Alignment of maintenance contracts with ERWAT identified priorities	Satisfactory	Procure critical identified spare parts to reduce reliance on external contractors and avail tools of trade	In Progress: Electrical spares procured for Q1 using the existing contract, as an interim measure. Report on establishment of Maintenance Spares Stores served at EXCO on 22 September 2025	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026	30 June 2026
					CC1 .3.3	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from Reliability Team on Critical	Satisfactory	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	In Progress: Report on the establishment of Maintenance Spares Stores served at EXCO on 22 September 2025.	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						infrastructure (minimum maintenance frequency requirements identified) with funding limitations					
					CC1.3.4	Service Master Contracts in place (Spare parts required have been identified)	Satisfactory	Stock identified workshops with minimal inventory identified	In Progress: Report on the establishment of Maintenance Spares Stores served at EXCO on 22 September 2025	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026.	30 June 2026
		CF1.4	Nonalignment of maintenance activities with Reliability Centred Maintenance (RCM)		CC1.4	Asset Management Plan annually developed inclusive of Preventive Maintenance Plan input from Reliability Team on Critical infrastructure (minimum maintenance frequency requirements identified) with funding limitations	Satisfactory	Conduct an empirical study of the costs incurred in the value chain	Action not yet started. Progress to be reported in quarter 2	Action not yet started.	30 June 2026
		CF1.5	Inadequate critical spare stores (i.e., buffer stock of procured items to carry out emergency maintenance work) is not in place for the		CC1.5.1	ERWAT Operational Procurement Plan ensuring uninterrupted supply of critical goods and services	Weak	Develop policies and procedures for effective operations of the workshops to be established for storage of spares	In Progress: Report on establishment of Maintenance Spares Stores served at EXCO on 22 September 2025	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026.	Quarterly monitoring and implementation by 30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
			entity.		CC1.5.2	The critical spares required by the plants have been identified	Weak	Develop a stores management policy to enable spares to be procured and stocked	In Progress: Draft Stores Management Policy is under development. Elements of the policy tabled at EXCO on the 22nd of September 2025 for inputs.	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026.	31 March 2026
					CC1.5.3	Equipment Operating Manuals & Maintenance Standard Operating Procedures to reduce frequency of break downs implemented	Weak	Procure critical identified spare parts to enable maintenance to be conducted in-house	In Progress: Electrical spares procured for Q1 using the existing contract, as an interim measure. Report on establishment of Maintenance Spares Stores served at EXCO in September 2025	In Progress. Draft Stores Management Policy to serve at EXCO in January 2026.	30 June 2026
								Monitor performance of the service provider to ensure goods are the right quality, on time and within budget, while minimizing risks	In Progress: Monthly contract performance evaluations are being conducted on all contracts that are servicing ERWAT (OPS & MAINT)	Ongoing. Monthly contract performance evaluations are being conducted on all contracts that are servicing ERWAT	Monthly
		CF1.6	Storm water ingress contributing to the increased water levels in the plant		CC1.6	No current control - Storm water is managed at City level	None	Discussion with CoE to divert storm water pipeline	Action plan not yet started. To report in quarter 2	Action Plan Complete: The meeting was held with COE on the 11th November 2025, in which they indicated that the storm waters can only be address through the regionalization.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF1.7	Reliance on service providers to perform specialised work (due to non-availability of spare parts)		CC1.7.1	Enforcement of performance management of service providers	Satisfactory	Appoint service provider for specialised services	In Progress: Contract for PSP recommended for award by the Bid Adjudication Committee	In Progress: PSP contract is awarded. SCM is in progress of uploading the BOQ on the system.	As per procurement plan
					CC1.7.2	Quality controls to monitor performance of contractors	Satisfactory	Train staff to execute identified specialised services internally	In Progress: Training requisitions for contract management submitted to HR in August 2025 Training requests for other skills to be submitted.	In Progress. The training will be conducted in February 2026. In Progress: Training requests for other skills was submitted and the Schneider & BMG training is currently in progress.	30 June 2026
		CF1.8	Ineffective first line maintenance		CC1.8.1	SoP have been developed for first line maintenance	Unsatisfactory	Conduct awareness and training to first line staff for maintenance of equipment	Not Yet started: Progress to be reported in quarter 2	In Progress: The SOP is being finalised and it will be communicated with employees.	31 December 2025
					CC1.8.2	Schedules of activities for first line maintenance incorporated in the maintenance plan	Unsatisfactory	Maintain stock of consumables and spares for first line maintenance	In Progress: Report on establishment of Maintenance Spares Stores served at EXCO in September 2025	In Progress: Draft Stores Management Policy to serve at EXCO in January 2026.	31 March 2026 & Quarterly
								Monitoring of maintenance programme	In Progress: Quarterly maintenance reports submitted.	In Progress: Quarterly maintenance reports submitted.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF1.9	Inefficient and inadequate measurement of energy consumption to reduce carbon footprint		CC1.9.1	Quarterly electricity consumption benchmarks established per plant and monitored	Satisfactory	Replacement of energy intensive equipment with energy efficient equipment (pumps, motors, gearbox)	Not Yet Started: Progress to be reported in quarter 2	Not Yet Started: Progress to be reported in quarter 3	30 June 2026
					CC1.9.2	Renewable Energy Plan (Solar, hydro water) developed inclusive of Plants, Head Office and labs.	Unsatisfactory	Conduct energy efficient audits for remaining 16 sites	Not Yet Started: Progress to be reported in quarter 2	Not Yet Started: Progress to be reported in quarter 3	30 June 2026
					CC1.9.3	Energy audits for efficiently conducted for 3 of 19 sites	Unsatisfactory	Appoint service provider for pilot to be run at Head Office	Not Yet Started: Progress to be reported in quarter 2	Not Yet Started: Progress to be reported in quarter 3	30 June 2026
								Resuscitate the combined heat and power (CHP) systems project at Waterval	Not Yet Started: Progress to be reported in quarter 2	Not Yet Started: Progress to be reported in quarter 3	31 December 2025
		CF1.10.	Inadequate grant funding for infrastructure upgrades		CC1.10.1	Grants received by the CoE for Urban Settlement Development are assigned to ERWAT	Unsatisfactory	Develop a Grant Management Policy	In Progress: Policy developed, waiting approval of the Board	Action Plan Complete: The policy has been approved by Board on the 1st of December 2025	30 June 2026
					CC1.10.2	Infrastructure South Africa (ISA) funding CoE for conveying, regionalisation and 50 year Master Plan (reduce from 19 to 10 plants) up to " banking" stage (i.e. ready for implementation and funding)	Weak	Appointment of Transactional Advisor by ISA	In Progress: At Bidding Stage(The process of appointing a Transactional Advisor will be done through ISA)	In Progress: The appointment of the transactional advisor is awaiting adjudication which will be completed in the February 2026. This will be followed by other due diligence processes at ISA so the appointment should be completed in March 2026 (Q3).	30 June 2026
		CF1.11	Inadequate treatment capacity (Rapid		CC1.11	Wastewater conveyance and	Unsatisfactory	The current mitigation controls are deemed to	No reporting required for the period under	No reporting required for the period under	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
			population and industrial growth within CoE)			treatment systems regionalisation and 50 year master plan		be adequate. Therefore, no further risk action plan to be implemented.	review. There are capital budget constraints to upgrade Plants operating above their capacity	review. There are capital budget constraints to upgrade Plants operating above their capacity	
		CF1.12	Capital requirements not raised timeously, inclusive of raising funds for infrastructure upgrades	#REF!	CC1.12.1.	Infrastructure Capital Plan entailing the increasing capacity to meet future demand, implementing a capital expenditure (CAPEX) program for renewals and upgrades, exploring public-private partnerships for wastewater reuse	Unsatisfactory	Conduct an empirical study of the costs incurred in the value chain	Not yet started: Progress to be reported in quarter 2	Not yet started: Progress to be reported in quarter 3	30 June 2026
					CC1.12.1.	ERWAT's 50-Year Master Plan(strategic initiative to upgrade and centralize the bulk wastewater treatment infrastructure in Ekurhuleni, aiming to reduce the number of plants from 19 to 10, increase capacity and efficiency, and align with the city's growth and spatial development framework, including the Aerotropolis. The plan incorporates public-private partnerships, advanced control	Unsatisfactory	Appointment of Transactional Advisor by DBSA	In Progress: At Bidding Stage(The process of appointing a Transactional Advisor will be done through DBSA)	In Progress: The appointment of the transactional advisor is awaiting adjudication which will be completed in the February 2026. This will be followed by other due diligence processes at ISA so the appointment should be completed in March 2026 (Q3).	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						systems, research and development in natural sciences and engineering, and a focus on wastewater reuse and commercial expansion to meet growing demands)					
ERW2	**Insufficient / Inadequate organisational readiness to anticipate and respond to emergencies or natural disasters**	CF2.1	Some plants of the 19 Wastewater Care Works (WCW) do not have wastewater bypassing systems and emergency dams	#REF!	CC2.1.1	Wastewater bypassing systems and emergency dams inclusive in the 50 year Master Plan	Weak	Conduct a simulation of the disaster to ascertain solutions for excess rainfall	Not Yet Started: Progress to be reported in quarter 2	Not Yet Started: Progress to be reported in quarter 3	30 June 2026
					CC2.1.2	Water Bypass System for some Wastewater Care Works (3 of 19) and emergency dams (4 of 19)	Weak	The current mitigation controls are deemed to be adequate. Therefore no further risk action plan to be implemented.	No reporting required for the period under review.	No reporting required for the period under review.	N/A
		CF2.2	Haartebeesfontein and Olifantsfontein infrastructure built on dolomitic areas		CC2.2	Minimum ponding of water in identified areas	Satisfactory	Continue maintenance of the storm water drainage systems to prevent excess flow in identified area.	Not yet started: Progress to be reported in quarter 2	Not yet started: Progress to be reported in quarter 3	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF2.3	The Disaster Recovery site is in close proximity (1 km) too operations and hence might be simultaneously affected by the same factors that caused the business disruption		CC2.3.1	Cloud backup every 24 hours (finance, laboratory, maintenance applications of server)	Weak	Procure independent Data Center to host ERWAT IT infrastructure	Not yet started: Progress to be reported in quarter 2	In Progress: A Spec for the tender has been developed and is yet to serve at the Bid Specification Committee.	30 June 2026
					CC2.3.2	Annual testing plan executed and reported upon to the ICT Steercom	Weak				
					CC2.3.3	Back up servers at production and DR site	Weak				
					CC2.3.4	Microsoft 365 cloud based	Weak				
					CC2.3.5	Microwave link to the DR site Redundant network at DR Site (Microwave link)	Weak				
		CF2.4	Change in rainfalls patterns due to climate change and other factors related to climate change		CC2.4.	Water Bypass System for some Wastewater Care Works (3 of 19) and emergency dams (4 of 19)	Weak	Develop redundancy plans for infrastructure - Four plants	Not yet started: Progress to be reported in quarter 2	Not yet started: Progress to be reported in quarter 3	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF2.5	Inadequate Business Continuity Management Program		CC2.5.1	Business Recovery Plan inclusive of ICT Disaster Recovery Plan and BIA's (excluding ICT) developed	Satisfactory	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional Assessments and commence with BCP update	In Progress: Tender specification developed for the appointment of a BCM Service Provider and will be advertised in October 2025	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider and has been submitted to SCM for Bid Specification Committee sitting	30 June 2026
					CC2.5.2	Business Continuity Management Risk Assessments for Water Care Works and Support Services	Weak				
					CC2.5.3	BCM Steering Committee established to ensure BCM aligns with strategic goals, allocates necessary resources, and monitors program effectiveness.	Very good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC2.5.4	BCM Infrastructure Condition Assessments	Satisfactory	Appoint a service provider to review the Business Continuity Plan inclusive of Conditional Assessments and commence with BCP update	In Progress: Tender specification developed for the appointment of a BCM Service Provider and will be advertised in October 2025	In Progress: Tender specification developed for the appointment of a Business Continuity Management Service Provider and has been submitted to SCM for Bid Specification Committee sitting	31 March 2026 30 June 2026
					CC2.5.5	Annual testing plan executed and reported to the ICT Steering	Satisfactory	Develop an integrated simulation for Business Recovery	In Progress: Tender specification developed for the appointment of a	In Progress: The annual testing plan was tabled at the Risk and ICT Committee on	Develop:31 Decembe r 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						Committee (simulation)			BCM Service Provider and will be advertised in October 2025	the 7 November 2025. The Plan to be monitored at EXCO level as resolved by the Risk and ICT Committee	Implement :30 June 2026
					CC2.5.6	BCM training is conducted for staff	Satisfactory	Conduct Health and Safety drills	In Progress: A fire simulation drill was conducted on the 29th of October 2025	Action Plan complete: Two Fire simulation drill was conducted on the 29th of October and the 27th November 2025 for Head Office.	31 March 2026
ERW3	**Potential loss of the ISO 17025 accreditation affecting strategic positioning, market competitiveness, and regulatory alignment**	CF3.1	Aging instrumentation, scarcity of spares and discontinuation of instruments could result in loss of the approved testing methods impacting on service delivery both internally and externally (laboratory)	#REF!	CC3.1.1	Capital Expenditure Plan developed for improved instrumentation (current technology)	Satisfactory	Replace outdated technology as per the Capital Expenditure Plan	In Progress: 45 Capex items including instruments and laboratory equipment was received in Q1	In Progress: 20 Capex items including instruments and laboratory equipment received in Q2	As per Capital Expenditure Plan
					CC3.1.2	Lifespan review of laboratory equipment conducted by IPAP	Satisfactory	Conduct a lifespan review of laboratory equipment	Not yet started: A review of the equipment will take place in Q2.	In Progress: A review of the equipment lifespan was done. A report of the equipment lifespan will be tabled in Q3	31 March 2026
		CF3.2	Inadequate monitoring of accreditation requirements		CC3.2.1	Scheduled maintenance in accordance with ERWAT's Instrumentation Maintenance Plan	Good	Ensure scientific goods and services and maintenance calibration is procured timeously as per the procurement plan	Action Plan Complete: The instrument for Phenol analysis was serviced as per schedule.	Action Plan Complete: A calibration and maintenance schedule is maintained and monitored.	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
								Implement the correction action as per the "corrective action" register	In Progress	The register is maintained and monitored.	Quarterly
					CC3.2.2	Standard operating procedures for instrumentation maintenance implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	The current mitigation controls are deemed to be adequate. There is no reporting required for the period under review	N/A
					CC3.2.3	Schedule for the calibration of equipment is maintained and monitored	Good				
					CC3.2.4	Staff undergo training and are certified to operate relevant equipment	Good				
					CC3.2.5	Quality section reviews adherence to ISO standards as per the "audit" schedule	Good				
					CC3.2.6	External audits are conducted by accredited service providers to maintain ISO certification External accreditation is obtained through SANAS	Good				

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
					CC3.2.7	Corrective action register is maintained and monitored	Good				
		CF3.3	Inadequate Laboratory building facilities (e.g. HVAC system, access control)		CC3.3.1	Temperature and air quality is monitored on a daily basis in the laboratories	Satisfactory	Develop and implement a maintenance schedule for the HVAC system	In Progress: Contract for PSP recommended for award. Instruction to perform work to be issued once the SLA is finalised, Q2	In Progress: PSP contract awarded. SCM is in the process of uploading the BOQ onto the system.	30 June 2026
					CC3.3.2	Monthly safety audits conducted	Satisfactory	Conduct a physical risk assessment of the laboratory building facilities	In Progress: Contract for PSP recommended for award. Instruction to perform work to be issued once the SLA is finalised, Q2	In Progress: PSP contract awarded. SCM is in the process of uploading the BOQ onto the system	30 June 2026
					CC3.3.3	Quarterly OHS audits conducted	Satisfactory	Implement correction actions as per OHS audits	In Progress: Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The OH&S programme findings are addressed through the district meetings and critical items are included in the WRAP for budgeting and implementation. These are tracked as part of the WRAP implementation.	In Progress: Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The OH&S programme findings are addressed through the district meetings and critical items are included in the WRAP for budgeting and implementation. These are tracked as part of the WRAP implementation.	Quarterly
								Develop and implement a maintenance schedule for laboratory building	In Progress: Building maintenance contract at final award stage.	In Progress: Building Maintenance Contract awarded. The contract	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
									Instruction to perform work to be issued once the SLA is finalised, Q2	is currently in the cool of period with the draft SLA out for comments.	
								Implement access control to the laboratories	In Progress: Access Control Contract awarded and the installation to start in October 2025	In Progress: The project started in December with the upgrading of Fibre. The equipment was also delivered in December before the entity closed for the holidays	31 December 2025
ERW5	**ERWAT may not be able to meet its short-term financial obligations**	CF5.1	Irregular payments for services rendered received from City	#REF!	CC5.1.1	Cash flow forecasts are conducted by ERWAT and thereafter escalated to CoE who monitors cash flow requirements of the City as a whole.	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC5.1.2	Cashflow monitoring by CoE	Satisfactory	Negotiate a payment schedule with CoE for timeous payments for services rendered	In Progress: Negotiations with the City are ongoing to ensure that ERWAT receives its payment on time	In Progress: Negotiations with the City are ongoing to ensure that ERWAT receives its payment on time	Quarterly
					CC5.1.3	Engagement by the Board and Accounting Officer with CoE on recoupment of the outstanding debt					
		CF5.2	Absence of Revenue Enhancement - (augmentation) Strategy Short term cash		CC5.2.	Market penetration strategy developed for market revenue	Weak	Create the Revenue Enhancement Strategy inclusive of unlocking financial opportunities and link to ESG Strategy	In Progress: Developed the strategy, to be discussed at the next EXCO meeting.	Action Plan Complete: The Revenue Enhancement Strategy was approved by the Board on the 1st of December	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
										2025 and linked to the ESG strategy	
								Create an Economic Social Governance strategy that links to commercial business (Strategy monitoring and environmental)	Not yet started. Progress to be reported in quarter 2	Action Plan Complete: The ESG Strategy which is linked to Revenue Enhancement Strategy was approved by the Board on the 1st of December 2025	31 March 2026
		CF5.3	Service Charges received from CoE not reflective of operational needs (funding)		CC5.3	Agreement with CoE for a fixed annual fee based on operating costs	Satisfactory	Investigate alternate sources of raising grant funding e.g. ISA	In Progress: Dependant on the approval of the Grant Management Policy. Policy developed, waiting approval of the Board.	Action Plan Complete: The Policy has been approved by Board on the 1st of December 2025	Quarterly
								Conduct an empirical study of the costs incurred in the value chain	Not yet started: Progress to be reported in quarter 2	Not yet started: Progress to be reported in quarter 3	30 June 2026
ERW6	**Inefficiency to acquire timeous services due to ineffective SCM processes**	CF6.1	Late commencement of bid processes by user department and discrepancies around specifications	#REF!	CC6.1.1	Annual Procurement Plan developed and implemented	Satisfactory	Develop a Demand Management Plan per Division for the 2026/27 financial year	Not yet started: Scheduled for Quarter 3 to during budget process for 2026/2027	Not yet started: Scheduled for Quarter 3 to during budget process for 2026/2027	31 May 2026
					CC6.1.2	Use of transversal contracts	Satisfactory	Prepare the Capex and Opex Plans - review and prioritise	Action Plan Complete: OPEX and Capex plans finalised and signed off by the AO in August 2025	Action Plan Complete: OPEX and Capex plans finalised and signed off by the AO in August 2025	30 September 2025

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
					CC6.1.3	Monitoring of the implementation of the Procurement Plan by SCM	Good	Amend the procurement procedures to incorporate advertising of bids in line with MTERF. Develop specifications 12 months prior to the services being required.	In Progress: The procurement procedure is under review to incorporate the development of specifications to 12 months before the appointment of the tender.	In Progress: The procurement procedure is under review to incorporate the development of specifications to 12 months before the appointment of the tender.	31 January 2026
					CC6.1.4	Specifications are developed 6 months prior to the services being required.		Standardise the documents to be utilised for specification of construction.	In Progress: SCM and other stakeholders attended CIDB training which included the use of construction templates. Documents in process of being reviewed to finalise a standard template for the respective processes	In Progress: SCM and other stakeholders attended CIDB training which included the use of construction templates. Documents in process of being reviewed to finalise a standard template for the respective processes	30 June 2026
		CF6.2	Inefficiencies in SCM processes and inadequate capacity		CC6.2.1	SCM policies and procedures developed and implementation	Satisfactory	Review the SCM structure to increase efficiencies	In Progress: Currently reviewing the different functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	In Progress: Currently reviewing the different functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	31 March 2026
					CC6.2.2	Training provided to staff on SCM policies and processes	Satisfactory	Revise RFQ process and relevant delegations	In Progress: Reviewing of the FPQ processes and the relevant delegations has been started but not yet finalised.	In Progress: Reviewing of the FPQ processes and the relevant delegations has been started but not yet finalised.	31 March 2026
					CC6.2.3	Templates and SoP's developed	Satisfactory	Procurement of a SCM procurement system	In Progress: Currently reviewing the different	In Progress: Currently reviewing the different	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
									functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	functionalities of various systems and specifications have been prepared accordingly as we attend each system presentation.	
					CC6.2.4	Physical storage of documents	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC6.2.5	Evaluation committees established	Good				
					CC6.2.6	Strategic plan linked to procurement	Good				
					CC6.2.7	Performance monitoring of service providers	Good				
		CF6.3	Geo-political risks impacting the Rand Exchange rate thereby increasing goods imported		CC6.3.1	Bulk purchase of chemicals and consumables	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC6.3.2	Contracts allow for CPI increases in prices	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
ERW7	**Inadequate protection of organisational**	CF7.1	Use of Legacy operating systems increases the chances	#REF!	CC7.1	Asset Management Policy, Strategy and Disaster Recovery	Good	Appointment of service provider to provide	In Progress: The process is at Bid Specification	In Progress: The process is at Bid Specification	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
	resources (information, data, etc.) and cyber threats		of a cyber attack due to limited vendor support and upgrades			Plan (Cloud back-up)		security managed services	Committee in, preparation to advertise	Committee in, preparation to advertise	
							Good	Upgrade Unsupported Operating Systems	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
		CF7.2	Inadequate cyber security awareness and behaviour		CC7.2	Quarterly ICT security awareness programs: (News Flash, Induction, Cyber security surveys, Mimecast, cyber behaviour survey upon onboarding, WhatsApp group)	Good	Refer staff to additional training who fail simulations	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	31 March 2026
								Extend cyber security awareness to 3rd parties and Board members	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	31 March 2026
		CF7.3	Inadequate Information Security Controls		CC7.3.1	ICT Security Policy and Procedures implemented	Satisfactory	Conduct annual security accreditation verification of IT third providers	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	31 December 2025
					CC7.3.2	Access controls based on security groups User profiles defined and reviewed bi-annually	Satisfactory	Disable USB ports excluding laboratory	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
					CC7.3.3	User approval provided by relevant management and termination process if	Satisfactory	Implement encryption on laptops	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						no access activity for 30 days					
					CC7.3.4	Point in time access provided to IT service providers	Satisfactory	Upgrade server operational systems	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
					CC7.3.5	27001 and database compliance standards compliance by service providers	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.6	Intrusion Detection System to proactively monitors network traffic and system activities to automatically detect and block malicious activity in real-time	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.7	Firewalls implemented act as gatekeepers, controlling and blocking network traffic based on predefined rules to prevent unauthorized access	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.8	Mimecast provides cloud-based email security, archiving, continuity, and data	Satisfactory	The current mitigation controls are deemed to be adequate. Management will	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						protection services to help businesses manage and protect their email systems from cyber threats like spam, malware, ransomware, and phishing attacks		monitor the implementation of the current controls to ensure the risk is mitigated			
					CC7.3.9	Microsoft 365, data is encrypted at rest and in transit, using several strong encryption protocols,	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.10	Multi factor authentication utilised which requires two or more distinct forms of identity verification to grant access to an account or system, adding layers of security beyond just a password	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.11	Quarterly use of Nessus to perform automated security vulnerability scanning to identify software flaws, missing patches, misconfigurations, and other weaknesses in a	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						network's infrastructure, including servers, devices, and applications, before attackers can exploit them					
					CC7.3.12	Annual Vulnerability test conducted to probe for and exploit security vulnerabilities in web-based applications, networks and systems and penetration testing which is a simulated cyberattack performed to identify and exploit vulnerabilities in a computer system, network, or application before malicious attackers can	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.13	Access control policy implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC7.3.14	Logical access policy implemented	Good	The current mitigation controls are deemed to be adequate. Management will	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
								monitor the implementation of the current controls to ensure the risk is mitigated			
ERW8	**Occupational hazards that pose a threat to the health and safety of employees**	CF8.1	Non-compliance to safety regulations by staff	#REF!	CC8.1.1	Occupational Health & Safety Policy	Good	Appoint training service providers on a 3-year basis	Not yet started. Progress to be reported in quarter 2	In Progress: Tender Specification have been drafted and submitted to DSC. Progress to be reported in quarter 3	31 December 2025
					CC8.1.2	Customised training provided to personal as per job requirement Training matrix develop, implemented and monitored	Good	Continuous in house training for defined competencies of Safety Reps	Action Plan Complete: Completed first aid, chemical handling, work permit, fire fighting, confined spaces, and working at heights for various colleagues at Commercial Business. Some of the safety reps attended a conference in Cape Town in August 2025	Action Plan Complete: Completed first aid, chemical handling, work permit, fire fighting, confined spaces, and working at heights for various colleagues at Commercial Business. Some of the safety reps attended a conference in Cape Town in August 2025	Quarterly
					CC8.1.3	Occupational Health & Safety Procedures (SOPs) -MS- SOP-SA002 Health and Safety Representative Procedure -MS- SOP-SA003 Accident Reporting and Investigation Procedure -MS- SOP-SA004	Weak	Conduct awareness workshops on the OHS procedures	Action Plan Complete: Conducted, First aid, SHE Rep, fire fighting and evacuation marshal training for the plant based appointed employees	Action Plan Complete: Conducted, First aid, SHE Rep, fire fighting and evacuation marshal training for the plant based appointed employees	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						Permit to Work Procedures -MS- SOP-SA005 Confined Space Procedure -MS- SOP-SA006 Excavation Procedure -MS- SOP-SA007 Wearing of Safety Harness -MS- SOP-SA008 Fall Protection Plan -MS- SOP-SA009 Control of contractors working at ERWAT -MS- SOP-SA0010 HSE Plan					
					CC8.1.4	Monthly District OHS Meeting wherein H&S is on the agenda. Bi-annual Central Safety meetings	Satisfactory	Resolve OHS audit findings	In Progress: Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The OH&S programme findings are addressed through the district meetings and critical items are included in the WRAP for budgeting and implementation. These are tracked as part of the WRAP implementation.	In Progress: Received 7 internal audit findings of which 5 has been closed and two are awaiting the buildings contract to be awarded. The OH&S programme findings are addressed through the district meetings and critical items are included in the WRAP for budgeting and implementation. These are tracked as part of the WRAP implementation.	Quarterly

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
					CC8.1.5	Quarterly reports to Exco PDCA (Plan, do, check, act) and Renumeration and Ethics Committee	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC8.1.6	Occupational Health & Safety Committees(Monthly District Safety Committee, Quarterly Central Safety Committee)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC8.1.7	Safety Awareness Program (Tool box talks)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
					CC8.1.8	Induction of safety conducted	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF8.2	Deteriorating workplace condition due to inadequate maintenance		CC8.2.	2025/2026 Maintenance Plan developed and implemented	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
		CF8.3	Exposure to biological and chemical agents		CC8.3.1	Safe Working Procedures and use of PPE as per SoP implemented	Satisfactory	Implement chemical and biological awareness sessions	Action Plan Complete: Relevant personnel has been trained and certificates are still valid.	Action Plan Complete: Relevant personnel has been trained and certificates are still valid.	31 March 2026
					CC8.3.2	Waste management procedures implemented	Satisfactory	Conduct occupational hygiene survey for 2 Plants and laboratory	In Progress: Will be done through an FPQ. Awaiting approval for advertising.	Action Plan Complete :Surveys were completed in October for the laboratory and the plants in November 2025.	30 June 2026
					CC8.3.3	Medical Surveillance policy and Standard implemented	Satisfactory				
					CC8.3.4	Signage and Safety Datasheets (SDS) placed where hazardous chemicals are stored	Satisfactory				
					CC8.3.5	Health Risk Assessment conducted to identify chemical and biological agents	Satisfactory				

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF8.4	Inadequate training of staff on safety protocols		CC8.4	Daily toolbox talk Safe working procedures Induction of safety protocols	Good	Appoint training service providers on a 3-year basis	Not yet started. Progress to be reported in quarter 3	In Progress: Tender Specification have been drafted and submitted to DSC. Progress to be reported in quarter 3	30 June 2026
		CF8.5	Non-compliance to safety regulations by ERWAT		CC8.5.1	Compliance risk management Plan as per OHS completed annually	Good	Implement Action Plans Risk Management Plan	In Progress: Quarterly follow-ups of the OHS Compliance Risk Management.	In Progress: Quarterly follow-ups of the OHS Compliance Risk Management by the Risk Department.	Quarterly
					CC8.5.2	Compliance Universe for OHS identified Compliance risk management plan for OHS	Good		In Progress: OHS is included in the priority key legislation for Board approval	Action Plan Complete: The Top Priority Legislations were tabled and approved by the Board on the 1st of December 2025.	Quarterly
					CC8.5.3	Quarterly updates on compliance to regulations provided to Risk Unit	Good		In Progress: Quarterly OHS Non-Compliances included in the Compliance Report	In Progress: Quarterly follow-ups of the OHS Compliance Risk Management by the Risk Department.	Quarterly
		CF8.6	Unauthorised entry to ERWAT properties with the aim of vandalising, threat to lives, theft,(armed robberies)		CC8.6.1	Security Services Policy	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	N/A

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
					CC8.6.2	Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	N/A
					CC8.6.3	Security Awareness Program (Induction, Newsletters, Flash)	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	N/A
		CF8.7	Unavailability of Fire Detection &		CC8.7	None	None	Appoint service provider for installing fire	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
			Suppression System for the buildings					suppressant in laboratory			
ERW9	Operational Disruption and Loss of Service Continuity	CF9.1	Plant unavailability factors (e.g. Blockages of components due to foreign objects, Accumulation of sludge at the end of the WWTW (presence of too much vegetation at the contact tank), , Blocked PST (Primary Sedimentation Tank), Excessive scum buildup in the Biological Nutrient Removal (BNR).	#REF!	CC9.1.1	Diversion of flow to other processing modules within the plant (12 of 19 plants).	Satisfactory	Develop a SoP for proactive cleaning of process units.	Not yet started. Progress to be reported in quarter 2	In Progress: The cleaning of process units is imbedded in the existing SOPs. The cleaning schedule has been developed. The implementation is set to take place in Q3.	31 December 2025
					CC9.1.2	Contract to clean and unblock process units in place	Satisfactory	Restructure of Operations and maintenance division (heavy equipment unit)	Not yet started. Progress to be reported in quarter 2	In Progress: The proposed organogram is still in consultation.	31 December 2025
					CC9.1.3	Utilisation of vacuum trucks to clean and unblock process units (internal function)	Satisfactory	Exploration of advanced technology to enhance operations	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
					CC9.1.4	Implementation of Standard Operating Procedure for Disinfection	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
		CF9.2	The structural integrity of the biofilters is severely compromised		CC9.2	None	None	Conduct a condition assessment of bio filters	Not yet started. Progress to be reported in quarter 2	In Progress: Preparing tender document on capacity studies in WCW.	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
		CF9.3	Non-function of the mixers at the Biological Nutrient Removal		CC9.3	None	None	Develop redundancy plans for infrastructure	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
		CF9.4	Compromised structural integrity of the drying bed		CC9.4	None	None	Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA) Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht	Not yet started. Progress to be reported in quarter 2	In Progress: Awaiting the awarding of the tender.	30 June 2027
		CF9.5	Power supply interruptions - Inadequate generators per site (13 of 19 plants have gensets and existing gen-sets do not generate enough to power to operate the entire Wastewater Care Works) & UPS for the Laboratory		CC9.5	None	None	Finalise specifications for appointment of service provider for installation of generators at required sites	Not yet started. Progress to be reported in quarter 2	In Progress: The Service provider appointed for installation of generators at required sites	31 December 2025
		CF9.6	Supply disruptions of treatment chemicals		CC9.6.1.	Alternate chemicals have been identified and procured	Good	The current mitigation controls are deemed to be adequate. Management will	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
								monitor the implementation of the current controls to ensure the risk is mitigated			
					CC9 .6.2.	Stock levels identified and maintained	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
		CF9.7	Industrial pollution events , WCW not operating at optimal level (dumping of oil)		CC9 .7	Gas Chromatography conducted (organic finger printing)	Weak	Engagement with CoE Water Quality Division for the enforcement of Water By-Laws (resuscitate forum with CoE)	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	31 March 2026
								Investigation of alternate technology to treat industrial effluent (technical forum)	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	Bi-annual
		CF9.8	Increased expenditure resulting from reliance on alternative power sources during load shedding events.		CC9 .8.1.	Maintenance of diesel generators to power the Water Care Works	Satisfactory	Appoint service provider for pilot at Head Office	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
					CC9 .8.2	Renewable Energy Plan developed	Satisfactory	Appoint service provider for pilot at Head Office	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
								Conduct energy usage audits for WCW	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
								Develop an Energy Demand Management strategy and Energy audits	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
ERW10	**Lagging digital and innovative ICT systems to respond to the mandate**	CF10.1	Support inefficiencies due to lack of an ERP integration solution	#REF!	CC10.1	Manual collation of data from modules	Weak	Obtain from the shareholder authorisation to procure an alternative system	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	Quarterly
					CC10.2	Partially implemented modules from ERP system	Weak				
		CF10.2	Inadequate change management approach may lead to resistance, misalignment, and failure in adopting organizational initiatives.		CC10.2	None	None	Develop a Change Management Policy to be implemented prior to the roll out of new or enhanced applications	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	31 March 2026
		CF10.3	Inadequate procurement solution		CC10.3	Use of Solar for generating and managing of purchase orders	Weak	Procurement of a SCM management system	In Progress: Draft Specifications have been developed	In Progress: Draft Specifications have been developed	30 June 2026
								Enhance Solar to incorporate purchase requisition (if functionality is available)	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
		CF10.4	Inadequate automated records management system		CC10.4.1	File sharing with access rights One drive with access	Weak	Explore the Implementation of a document management	In Progress: A DEMO System to be presented at ICT	In Progress: A DEMO System was presented at ICT Steering	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						rights		solution in accordance with the Document Management Policy	Steering Committee on the 16 October for consideration.	Committee on the 16 October and was recommended by the ICT Steering Committee and submitted to the CFO for final review.	
					CC10.4.2	Document Management Policy developed and documents have been classified	Weak				
ERW11	**Workforce gaps creating disconnects between business goals and execution, hampering long-term success**	CF1 1.1	Changes in legislative requirements impacting on skills requirements of staff (Green drop)	#REF!	CC1 1.1.1	Skills and professional standard requirements , to uphold standards of water quality and security, in compliance to Regulation 3630 of the Department of Water and Sanitation, have been identified	Satisfactory	Finalise the development of a training plan	Workplace Skills Plan has been finalised and submitted to EWSETA and it was approved	Action Plan Complete: Workplace Skills Plan has been finalised and submitted to EWSETA and it was approved	31 October 2025
					CC1 1.1.2	Staff that are required to undergo training and professionally register with a recognized institution have been identified	Satisfactory	Train staff to obtain relevant certification as per Regulation 3630	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 3	As per plan
								Register identified staff with a recognised institution as per Regulation 3630	Not yet started. Progress to be reported in quarter 3	Not yet started. Progress to be reported in quarter 3	31 December 2025
		CF1 1.2	Non- alignment of human capital competency with the organizational goals		CC1 1.2.1	A Plan has been developed for the roll out of soft skills training to contribute to a positive work environment, enhance team work, communication and interaction amongst staff	Satisfactory	Review of the organizational structure to improve efficiency and effectiveness by aligning roles with strategic goals, enhancing communication, identifying and resolving bottlenecks	Currently in progress with IPAP, SME, Scientific Services and Commercial Business	In progress. Draft structure for Company Secretariat has been finalised	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
					CC1 1.2. 2	Competency assessments conducted to guide employee development, and ensure the workforce can meet current and future organizational goals	Satisfactory	Conduct training of staff as per 2025/26 training plan	On-going process, 2025/26 plan is being rolled out.	In Progress: On-going process, 2025/26 plan is being rolled out. Report to be tabled in Q3	Quarterly
					CC1 1.2. 3	Performance assessments conducted and personal developmental plans develop	Satisfactory	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
		CF1 1.3	Remuneration not market related to attract the staff with the required competencies		CC1 1.3. 1	Salary benchmarking conducted 4 years ago	Weak	Conduct benchmarking of remuneration to remain competitive, attract and retain top talent and manage payroll costs effectively.	In Progress: FPQ in progress for the review of Executive remuneration against the market	In Progress: FPQ for the review of Executive remuneration against the market has been evaluated and awaiting a decision.	30 June 2026
					CC1 1.3. 2	Benefits offered exceed minimum SALGA wage agreement	Satisfactory	Identify critical skills at ERWAT that may require salaries on a higher notch	Action plan has not yet started. To commence after approval of structures	Action plan has not yet started. To commence after approval of structures	30 June 2026
					CC1 1.3. 3	Implementation of notch increase based on years of service	Good	Review job specifications and gradings of identified positions.	In Progress: FPQ has been finalised for the appointment of external service provider	In progress. Awaiting award letter of FPQ and is also depended on the approval of structures.	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
ERW12	**Safety and security threats, including infrastructure theft , vandalism, and harm to personnel (Jeopardise the organisation's ability to safeguard assets, ensure operational integrity, and maintain stakeholder trust).**	CF12.1	Theft and vandalism of parts and harm to personnel at WCW	#REF!	CC12.1	Implementation of the Security Services Policy and implementation of Security Services Standard Operating Procedure -Security Operations Room Procedure -Security Systems Procedure -Trespass procedure -Guarding Procedure -Incident Reporting Procedure -Access control Procedure -Security Awareness Procedures -Diesel Management Procedure	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
		CF12.2	Encroachment of informal settlements on ERWAT property increasing theft of infrastructure		CC12.2	The growth of the informal settlement is monitored and engagements held in CoE	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the current controls to ensure the risk is mitigated	There is no reporting required for the period under review	There is no reporting required for the period under review	
		CF12.3	Extortion by community to be assigned project work		CC12.3	Engagements are held with Local Business Forums, surrounding community and relevant Municipality	Good	The current mitigation controls are deemed to be adequate. Management will monitor the implementation of the	There is no reporting required for the period under review	There is no reporting required for the period under review	

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
								current controls to ensure the risk is mitigated			
		CF1 2.4	Community unrest due to failure in delivery of services		CC1 2.4	Engagements with CoE on potential unrest	Satisfactory	Develop an Emergency Response Plan	Not yet started. Progress to be reported in quarter 2	In Progress: Draft document pending review and comments	31 December 2025 31 March 2026 30 September 2025 31 March 2025
		CF1 2.5	Inadequate security infrastructure and equipment includes fences, access control systems, intruder alarm systems, lack of Perimeter lighting, surveillance cameras		CC1 2.5	The following security measures are in place: - 12 of 20 sites have electric fencing (5 sites require upgrade to fencing) - cameras are installed at Head Office and-Haartebeestfontein - Hourly patrols are conducted - Access control at entrance to sites - Head office, storage facilities are fitted with intruder alarm systems - Emergency Response times	Satisfactory	Finalise security risk assessment for all the sites and determine security interventions per site to be implemented	Not yet started. Progress to be reported in quarter 2	In Progress: An external service provider conducted the risk assessment and has submitted the close-out report. The service provider is awaiting an invitation to present the findings to EXCO.	31 March 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
						defined - Armed guards and patrol dogs at high risk sites					
ERW13	**Lagging wastewater treatment technology to respond to the mandate**	CF13.1	Unstructured and delayed uptake of water works digital enhancement solutions	#REF!	CC13.1	Some plants equipped with PLC SCADA	Satisfactory	Roll out PLC SCADA at all ERWAT sites	Not yet started. Progress to be reported in quarter 2	In Progress: This will be covered by the PSP contract which was recently awarded. SCM is in the process of uploading the BOQ into the system.	30 June 2026
		CF13.2	Lack of online / real time monitoring systems and automation .		CC13.2	None	None	Conduct a Digitisation & Digitalisation Readiness Assessment (Innovative Technogym Readiness Assessment)	Not yet started. Progress to be reported in quarter 2	In Progress: This will be covered by the Panel of Service Provider contract which was recently awarded. SCM is in the process of uploading the BOQ into the system.	30 June 2026
		CF13.3	Outdated and underperforming technology to treat high strength industrial effluent due to lack of budget to implement newer technologies(OPS) .		CC13.3	None	None	Appointment of Transactional Advisor by ISA	Not yet started. Progress to be reported in quarter 2	In Progress: The appointment of the transactional advisor is awaiting adjudication which will be completed in the February 2026. This will be followed by other due diligence processes at ISA so the appointment should be completed in March 2026 (Q3).	30 June 2026

Ref	Risk		Contributing Factor	IR		Current Mitigation Controls	Control Effectiveness	Risk Action Plan 2025/2026	Quarter 1 Progress	Quarter 2 Progress	Action Plan Completion Date
								Benchmark infrastructure with another similar institution	Not yet started. Progress to be reported in quarter 2	Not yet started. Progress to be reported in quarter 3	30 June 2026
								Facilitate access to information for the Turnkey Projects via the Steering Committee (ISA) Completion of planning to take the projects to implementation readiness of Five (5) Turnkey Capital Project by CoE- 50 Year Master Plan 1. Watervaal 2. Olifantsfontein 3. Vlaakplaats 4. Anchor 5. Welgedacht	Not yet started. Progress to be reported in quarter 2	In Progress: Awaiting the awarding of the tender	30 June 2027

Emerging Risks (Narrative)

There were no emerging risks identified in quarter 2.

A Risk Assessment was undertaken in quarter 2.

Emerging Risks (Narrative)

For the Quarter 2 under review the was no emerging risks that were reported.

7. Legislative (only if applicable to your department)

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

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

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

8. Key Audit Matters and Progress

The audit opinion for the 2024/2025 financial year was not issued by the AGSA at the end of quarter 2 as was expected. The audit opinion is expected to be available during Quarter 3 of the 2025/2026 financial year.

Approved by:

PP 

_____ 7 January 2026

Mr. Kennedy Chihota Date
Managing Director