

a world class African city



BUSINESS PLAN 2025|26

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OFFICIAL SIGN-OFF

It is hereby certified that this Business Plan:

- was developed by the management of Johannesburg Water under the guidance of the Managing Director, Ntshavheni Mukwevho.
- considers all the relevant policies, legislation and other mandates for which Johannesburg Water is responsible; and
- accurately reflects the performance targets which Johannesburg Water will focus on achieving given the resources available for the 2025/26 Financial Year (FY).



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Managing Director

Date: 27 May 2025



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Date: 27 May 2025



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Executive Director:
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ABBREVIATIONS AND ACRONYMS

AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AMI	Advanced Metering Infrastructure
B-BBEE	Broad-Based Black Economic Empowerment
Capex	Capital Expenditure
CBD	Central Business District
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CoJ	City of Johannesburg
COO	Chief Operations Officer
CRM	Customer Relationship Management
CSD	Central Supplier Database
DIFR	Disabling Injury Frequency Rate
DMA	District Management Areas
DWS	Department of Water and Sanitation
EE	Employment Equity
EPWP	Expanded Public Works Program
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
EWSETA	Energy and Water Sector Education and Training Authority
GDS	Growth and Development Strategy
GLU	Government of Local Unity
GFIS	Group Forensic Investigation Services
GRAP	Generally Recognised Accounting Practices
GWEA	Government-Wide Enterprise Architecture
HR&CS	Human Resources and Corporate Services
ICT	Information and Communications Technology
IDP	Integrated Development Plan
IIOC	Integrated Intelligence Operations Centre
IoT	Internet of Things
IS-U	Industry Standard for Utilities
IT	Information Technology
KI	Kilolitre
KPI	Key Performance Indicator
l/c/d	Litres per capita per day
LGSETA	Local Government Sector Education and Training Authority
LIMS	Laboratory Information Management System
LoS	Level of Service

mSCOA	Municipal Standard Chart of Accounts
MI	Megalitre
MoU	Memorandum of Understanding
MTS	Metro Trading Services
NDP	National Development Plan
NRW	Non-revenue Water
OCCR	Operating Cost Coverage Ratio
OHS	Occupational Health and Safety
Opex	Operational Expenditure
PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
PRV	Pressure-reducing Valve
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
RDI	Research, Development and Innovation
RFQ	Request for Quotation
RSSC	Revenue Shared Services Centre
SAP	Systems, Applications and Products in Data Processing
SCM	Supply Chain Management
SCADA	Supervisory Control and Data Acquisition
SDA	Service Delivery Agreement
SDBIP	Service Delivery Budget Implementation Plan
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprise
SPoMA	Single point of management accountability
STS	Standards Transfer Specification
TOD	Transit-oriented Development
TAS24	Turnaround Strategy 2024
TS	Trading Services
UISP	Upgrading of Informal Settlements Programme
VIPs	Ventilated Improved Pit-latrines
WC/WDM	Water Conservation/ Water Demand Management
WDM	Water Demand Management
WULA	Water use licence application
WWTW	Wastewater Treatment Works



CHAPTER 1

EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

The Business Plan presents the activities of the Company to create value for the shareholder. This is in line with the mandate for provision of water and sanitation services to the residents of the City of Johannesburg (CoJ) as outlined in the Service Delivery Agreement (SDA).

The Business Plan is premised on the political direction contained in the Growth and Development Strategy 2040 (GDS), the Integrated Development Plan (IDP) 2021-26, the Service Delivery Budget Implementation Plan (SDBIP) 2025/26 and Mayoral Priorities. The Government of Local Unity (GLU) identified 11 Mayoral Priorities, and in response, the Entity developed Strategic Goals and Programmes as well as the Turnaround Strategy 2024 (TAS24) which is centered around five Johannesburg Water's immediate TAS24 Strategic Shifts (TSS), addressing the Water and sanitation services decline to deliver on the shareholder's priorities. Long-term under-investment, weakening financial performance and declining services have put CoJ's water and sanitation services in jeopardy, compromising their reliability for both the CoJ residents and business. This, in turn, negatively affects health, as well as new investments in the city to support job creation and economic growth.

As a result, the GDS serves as a framework for the IDP, including charting long-term ambitions, strategies and overarching decisions relating to prioritised areas of focus. The 2011 GDS has been consciously aligned to the Integrated Development Plan (medium-term plan) which is a five-year plan that is also subjected to annual review. This practice will remain, ensuring that the GDS is translated effectively into medium-term programmatic operational planning and budgeting. Furthermore, each outcome is driven by several strategic outputs. The GDS outputs present intervention areas where the CoJ plans to intervene immediately in order to achieve the desired long-term outcomes.

The Business Plan responds to the GDS outcomes and the GLU Mayoral priorities through the Company's developed seven Strategic Goals and programmes as well as the Johannesburg Water Turnaround Strategic shifts.

The four over-arching GDS Outcomes are as follows:

- Improved quality of life and development-driven resilience for all.
- Provide a resilient, livable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.
- An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.
- A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.

The eleven Mayoral Priorities are:

- **P1** – Good governance
- **P2** – Financial sustainability
- **P3** – Energy Mix
- **P4** – Sustainable service delivery
- **P5** – Infrastructure development and refurbishment
- **P6** – Job opportunity and creation
- **P7** – A safer City
- **P8** – Active and engaged citizenry
- **P9** – Sustained economic growth
- **P10** – Green economy
- **P11** – A smart city

Johannesburg Water's Strategic Goals are:

- **SG 1:** Utilise infrastructure delivery to create jobs, support Small, Medium and Micro Enterprises (SMMEs) and attract investment.
- **SG 2:** Deliver water and sanitation services of good quality that is accessible, reliable and efficient.
- **SG 3:** Operate in a manner that promotes environmental conservation and sustainability.
- **SG 4:** Improve customer and stakeholder satisfaction.
- **SG 5:** Enhance sound financial management, sustainability and good governance.
- **SG 6:** Use of technology for effective and efficient operations.
- **SG 7:** Invest in our staff to sustain optimal performance and a service-focused culture.

The TAS24 is centered around the following five TAS24 Strategic Shifts (TSS):

- **TSS1:** Realign customer & revenue value chain and increase cash collections.
- **TSS2:** Restructure relationship with the city for mutual success
- **TSS3:** Re-establish independent corporate governance for effective performance.
- **TSS4:** Ramp up investment in both asset renewal and expansion.
- **TSS5:** Establish capacity for effective implementation.

The Business plan further responds to the Trading Services Reforms Performance Improvement Action Plan (A3: PIAP), which was created to meet shareholder

requirements to implement, track, and report on the improvements resulting from the turnaround strategy's implementation. The Trading Services Reforms Performance Improvement Action Plan will be delivered using the following primary emphasis areas as operational plans:

- Accountability Performance
- Financial performance
- Operations - Water and Sanitation.
- Utility mandate

The Strategic Goals and the TAS24 Strategic Shifts guide the Entity in delivering the Mayoral Priorities, and the interconnection between these areas is indicated in Table 1 below. Not all Mayoral Priorities are included; only those that are applicable to the Entity are reflected.

Table 1: Linkage between GDS outcomes, Mayoral priorities, Strategic goals, TAS24 Strategic Shifts and programmes.

GDS OUTCOMES	GDS OUTPUTS	MAYORAL PRIORITIES	JOHANNESBURG WATER STRATEGIC GOAL	JOHANNESBURG WATER STRATEGIC SHIFT	JOHANNESBURG WATER PROGRAMME
1. Improved quality of life and development-driven resilience for all.	• A society characterised by healthy living for all. • Safe and secure city.	P7: A safer city.	SG2: Deliver water and sanitation services of good quality that is accessible, reliable, and efficient.	TSS4: Ramp up investment in both asset renewal and expansion.	• Prevention of infrastructure theft and vandalism.
2. Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.	• Sustainable and integrated delivery of water. • Sustainable and integrated delivery of sanitation. • Sustainable human settlements. • Climate change resilience and environmental protection.	P4: Sustainable service delivery. P5: Infrastructure development and refurbishment.	SG2: Deliver water and sanitation services of good quality that is accessible, reliable and efficient. SG3: Operate in a manner that promotes environmental conservation and sustainability.	TSS4: Ramp up investment in both asset renewal and expansion. TSS4: Ramp up investment in both asset renewal and expansion.	• Infrastructure upgrade. • Repairs and maintenance of networks. • Water quality assurance. • Wastewater Treatment Works (WWTW) programme. • Water demand management systems. • Water quality. • Environmental compliance.
3. An inclusive, job- intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.	• Job-intensive economic growth. • Increased competitiveness of the economy.	P9: Sustained Economic Growth. P6: Job opportunity and creation.	SG 1: Utilise infrastructure delivery to create jobs, support SMMEs and attract investment.	TSS4: Ramp up investment in both asset renewal and expansion.	• Economic developmental nodes. • Upgrading and renewal of networks. • Expansion of WWTW programme. • Transit-oriented Development (TOD) and Corridors of Freedom. • Water demand management. • Reservoir storage capacity.

GDS OUTCOMES	GDS OUTPUTS	MAYORAL PRIORITIES	JOHANNESBURG WATER STRATEGIC GOAL	JOHANNESBURG WATER STRATEGIC SHIFT	JOHANNESBURG WATER PROGRAMME
3. An inclusive, job- intensive, resilient, competitive, and smart economy that harnesses the potential of citizens. (cont.)		P 11: A smart City.	SG 6: Use of technology for effective and efficient operations.	TSS5: Establish capability for effective implementation.	- Field Service Management (including Customer Mobile App). - Customer Relationship Management (CRM). - Business process – Digital by design (eProcurement, eRecruitment, etc.). - Automated Fleet Management - Innovation and Technology Programmes. - Non-Sewered Sanitation.
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.	- Partnerships, intergovernmental & international relations. - A responsive, accountable, efficient, and productive metropolitan government. - Financially sustainable and resilient city. - Meaningful citizen participation and empowerment. - Guaranteed customer and citizen care and service. A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross-cutting-output).	P1: Good governance.	SG 5: Enhance sound financial management, sustainability and good governance.	TSS 1: Re-align the customer and revenue value chain and increase cash collections. TSS 2: Restructure the financial relationship with The City for mutual success.	- Good Governance. - Zero tolerance to fraud and corruption. - Enhance SCM. - Corporate Governance. - Non-revenue water. - Ethics Awareness. - Integrity Management. - Risk and compliance
		P2: Financial Sustainability.	SG 5: Enhance sound financial management, sustainability and good governance.	TSS3: Re-establish independent corporate governance for effective performance.	- Financial Performance and Management. - Non-revenue water. - By-law enforcement. - Revised credit control strategy. - Revised tariff structure. - Alternative infrastructure funding mechanisms. - Public-Private Partnerships (PPP).
		P8: Active and Engaged Citizenry.	SG 4: Improve customer and stakeholder satisfaction.	TSS1: Re-align the customer and revenue value chain and increase cash collections.	- Realign customer & revenue value chain. - Internal Communication. - Customer Satisfaction Survey. - Stakeholder engagement and public participation. - Public education. - Media Relations and External Communication. - Community engagements. - Campaigns and outreach.

It is key to note that Johannesburg Water has an infrastructure renewal backlog to the value of R26.61 billion. The Company's underfunding has also led to 20% of the asset base having a remaining useful lifespan of less than 10 years. Funding limitations are delaying the eradication of this backlog resulting in further aging of infrastructure. The implication is that this backlog will continue to increase should the funding continue to be limited. Despite this greatest challenge, the Entity, in collaboration with the Shareholder is looking at establishing the Infrastructure Fund that is envisaged to assist in addressing the backlog. The aforementioned challenge coupled with financial sustainability of the Entity calls for the review of the business model.

The risk management approach of the above-mentioned programmes is articulated in the document, citing the identified risks as well as their corresponding risk treatment strategies. In striving for good governance, the audit findings raised in the prior year will be resolved through the relevant interventions identified.

The financial capital to deliver on this plan is through a capital budget of R1.704 billion, an operating expenditure budget of R19.918 billion, and revenue of R21.950 billion. The Company's human capital of 2 796 employees (as of 31 March 2025) will be utilised to deliver on the plan. In executing the plan, the following strategic risks have been identified and mitigations will be applied and monitored frequently:

- Security of Supply (Water demands outstripping supply)
- Declining Payment Levels
- Inadequate Funding of Infrastructure & Operations (Incl. Renewal, Mega & Expansion Projects)
- Increasing Non-Revenue Water
- Bulk Infrastructure Failure
- Wastewater Spillages
- Significant Dependencies on City Compromising Long-term Planning, Optimal Operations/ Service Delivery & Sustainability
- Stakeholder Dissatisfaction and Active Opposition
- Failure of the Johannesburg Water Turnaround Strategy 2024

- Public Health and Safety
- Misalignment of Organisational Structure, Capacity and Business Strategy
- Inability to recover from Major Business Interruptions and Disasters
- Compromised health, safety and wellbeing of employees on duty
- Climate Change Adverse Events
- Slow Adoption of New Technologies
- Cyber Security Breaches
- Inability to effectively attract, develop and retain talent for the stability of the organisation and its operations.
- Vandalism and Theft of Infrastructure
- Unethical Behaviour

Implementation of the Business Plan will be monitored to measure progress towards the achievement of planned targets by utilising six performance scorecards, namely: Institutional SDBIP; Corporate Balanced Scorecard; Service Standards; National Treasury Circular 88 Indicators Scorecard; Upgrading Informal Settlements Programme (UISP) Indicators and Institutional/ Gatekeeping Indicators.

Capacity to Deliver

Johannesburg Water's capacity analysis requirements take cognizance of training needs, attrition due to resignations, the retention of scarce skills, retirements, employee wellbeing and an aligned organisational structure. In an endeavor to achieve optimal performance to remain service focused, the Company conducts employee satisfaction surveys. Strategic Goal 7 and Strategic Shift 5 also focus on ensuring adequate human capital capacity.

SG 7: Invest in our staff to sustain optimal performance and a service-focused culture which supports strategic shift 5, TSS5: Establish capacity for effective implementation and this strategic goal deals with the entity's capacity to deliver on the set mandate.



CHAPTER 2

STRATEGIC OVERVIEW

2. STRATEGIC OVERVIEW

2.1 Vision

A World-Class African water and sanitation utility.

2.2 Mission

To provide all the people of Johannesburg with access to quality water and sanitation services by doing the following:

- Delivering a professional, sustainable, affordable, and cost-effective service.
- Upgrading services in marginalised areas.
- Creating a customer-focused culture that responds to the needs of citizens, customers and businesses.
- Valuing and developing its employees to build a sustainable capacity.
- Safeguarding public health and safety within the CoJ.
- Preserving natural resources.
- Managing assets and leveraging on technology.

2.3 Organisational values

- We value and promote **teamwork**.
- We take **accountability** for our individual and team performance.
- We deliver a **customer service** that we have promised.
- We ensure that **communication** with our stakeholders is a priority.
- We build **cost effectiveness** in our business activities.
- Teamwork **Accountability** for our individual and team.

2.4 Core Mandate

Johannesburg Water SOC Ltd, a municipal entity wholly owned by the CoJ, was incorporated on 21 November 2000 and commenced business on 1 January 2001.

The mandate of Johannesburg Water is to provide water and sanitation services to the residents of Johannesburg. The entity's strategic objectives are linked to the Shareholder's objectives through, GDS, IDP, SDBIP and cluster plans. The relationship between the Company and the Shareholder is governed through the SDA.

The entity provides services to an area stretching from Orange Farm in the south to Midrand in the north, Roodepoort in the west and Alexandra in the east, as depicted in Figure 1. Johannesburg Water has six operating regions, with ten network depots and six WWTW, with a total of 2 796 employees (31 March 2025).

The Company supplies 1.738 billion litres of potable water per day, procured from Rand Water through a water distribution network of 12 520 km, 129 reservoirs and water towers, and 37 water pump stations. Wastewater is then collected and reticulated via a 11 933 km wastewater distribution network and 38 sewer pump stations. Johannesburg Water treats an average of 819 MI of sewage per day at its six WWTW.



DEPOT	SUBURBS PER JOHANNESBURG WATER DEPOTS	COJ REGIONS
AVALON	Mofolo, Klipspruit, Protea Glen, Naledi	D&G
ENNERDALE	Lenasia, Ennerdale, Orange Farm, Protea South	G
HAMBERG	Little fall, Weltevreden Park, Radiokop, Florida, Roodekrans	B & C
KLIPSPRUIT	Diepkloof, Orlando, Dobsonville, Meadowlands, Zola	C, D & F
LANGLAAGTE	Mellville, Cresta, Greenside, Brixton, Mayfair	B, C & F
MIDRAND	Carlswald, Noordwyk, President Park, Buccleuch	A & E
RANDBURG	Fourways, Cosmo, Diepsloot, Ferndale	A, B, C & E
SOUTHDALE	JHB CBD, Mulbarton, Kibler park, Booysens, Bruma	F & G
ZANDFONTEIN NORTH	Rivonia, Kelvin, Parkmore, Paulshof, Alexandra	A, B & E
ZANDFONTEIN SOUTH	Hyde Park, Waverley, Lombardy East, Houghton, Killarney	B, E & F

Figure 1: City of Johannesburg Regions and Johannesburg Water depots

2.5 The Business Model

The adopted business model depicted in Table 2 identifies and prioritise the most critical tasks in accordance with the organisation's mandate to optimise operations and concentrate resources in order to achieve both large and small objectives. The key activities' block is essential for comprehending the Company's operations and the factors that distinguish it in its industry. Consequently, this element is indispensable for this model. To be more precise, the organisation should prioritise these tasks to align with its value proposition, establish enduring customer relationships, reach the appropriate customer segments, and generate revenue streams.

The mandate of Johannesburg Water is to provide water and sanitation services. The resultant value proposition is to provide potable water and sanitation to formal and informal households, as well as businesses and industries, while providing the Shareholder with a revenue stream. The defined communication channels and the relationship are premised on the annual IDP public participation process, which holds the Company accountable to the communities that are served, as required by legislation. The Company will achieve this mandate through primary activities that are supported by key resources. Key partners have been identified in the value chain.

Table 2: Johannesburg Water business model

KEY PARTNERS	KEY ACTIVITIES	VALUE PROPOSITIONS	CUSTOMER RELATIONSHIPS	CUSTOMER SEGMENTS
- Rand Water - City Power - Eskom - Department of Water and Sanitation - Department of Human Settlement - Johannesburg Roads Agency - CoJ - Department of Human Settlement - CoJ-Group Finance Department	- Distribution of potable water - Servicing of Informal Settlements - Wastewater treatment and effluent reuse - Infrastructure renewal and expansion - Water Conservation / Water Demand Management (WC/ WDM) - Meter Reading	- Piped potable water. - Tanked potable water. - Piped sanitation services - Permanent basic sanitation services - Rudimentary sanitation services	IDP – public participation	- Residents in formal areas - Residents in informal areas - Businesses - Industries - Schools - Churches - Universities - Government Departments
	Key resources/ Input - Financial capital - Intellectual capital - Human capital - Social and relationship capital - Natural capital		Channels - Call-centre - Social Media platforms - Walk-in centres - Depots - Short Message Services (SMS) - Website	
Cost structure - Cost of sale: R9.797 billion - Bad Debt: R5.034 billion - Operational expenditure: R5.087 billion - Net profit: R2.082 billion - Gross profit margin 51.0%			Revenue streams - Revenue: R20.013 billion (water sales and sanitation services) - Grant: R954 million - Equitable Share R665 million - Interest income: R319 million	

2.6 Legislation and Policy Environment

The following legislation is applicable to Johannesburg Water's operating environment

- Basic Conditions of Employment Act, No.75 of 1997
- Broad-Based Black Economic Empowerment Act, No.53 of 2003
- Companies Act, No.71 of 2008
- Compensation for Occupational Injuries and Diseases Act, No.130 of 1993
- Disaster Management Act, No.57 of 2002
- Employment Equity Act, No.55 of 1998
- Hazardous Substances Act, No.15 of 1973
- Income Tax Act, No.58 of 1962
- Infrastructure Development Act, No.23 of 2014
- Labour Relations Act, No.66 of 1995
- Legal Metrology Act, No.9 of 2014
- Municipal Finance Management Act, No.56 of 2003
- National Environmental Management: Biodiversity Act, No.10 of 2004
- National Environmental Management Act, No.107 of 1998
- National Environmental Management: Waste Act, No.59 of 2008
- National Water Act, No.36 of 1998
- Natural Scientific Professions Act, No.27 of 2003
- Occupational Health and Safety Act, No.85 of 1993
- Preferential Procurement Policy Framework Act, No.5 of 2000
- Prevention and Combating of Corrupt Activities Act, No.12 of 2004
- Promotion of Access to Information Act, No.2 of 2000
- Promotion of Equality and Prevention of Unfair

Discrimination Act, No.4 of 2000

- Protection of Personal Information Act, No.4 of 2013
- Skills Development Amendment Act, No.97 of 1998
- Skills Development Levies Act, No.9 of 1999
- Protected Disclosures Act, No.26 of 2000
- Unemployment Insurance Contributions Act, No.4 of 2002
- Unemployment Insurance Act, No.3 of 2001
- Value-added Tax Act, No.89 of 1991
- Water Services Act, No.108 of 1997

2.7 Strategic Objectives

The focal point of the Business Plan is to accelerate the 2024/25 strategic course of the GLU as outlined in support of the 2021/26 IDP read with the GDS. The revised Shareholder Strategy advocates a paradigm shift in terms of the service delivery focus areas in the 2025/26 FY.

In executing its mandate, the Company has taken cognisance of the vision of the CoJ, which is detailed in GDS 2040. The GDS, therefore, frames the IDP, charting long-term ambitions, strategies and overarching decisions relating to prioritised areas of focus. The 2011 GDS has been consciously aligned to the IDP (medium-term plan) which is a five-year plan that is also subjected to annual review. This practice will remain, ensuring that the GDS is translated effectively into medium-term programmatic operational planning and budgeting. In light of this, the development of the Business Plan takes into consideration the Entity's strategic interventions as well as the five strategic shifts for improvement implemented from the 2024/25 FY in order to realise the Mayoral Priorities and support the four Outcomes of the GDS as depicted in tables 3 and 6:

Table 3: GDS 2040 Outcomes

GDS OUTCOMES	GDS OUTPUTS	MAYORAL PRIORITIES
1. Improved quality of life and development-driven resilience for all.	- A society characterised by healthy living for all. - A safe and secure city.	Safer city.
2. Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.	- Sustainable and integrated delivery of water. - Sustainable and integrated delivery of sanitation. - Sustainable human settlements. - Climate change resilience and environmental protection.	- Sustainable service delivery. - Infrastructure development and refurbishment.
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.	- Job-intensive economic growth. - Increased competitiveness of the economy.	- Sustained Economic growth. - Job opportunity and creation. - Smart city.
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.	- Partnerships, intergovernmental & international relations. - A responsive, accountable, efficient, and productive metropolitan government. - Financially sustainable and resilient city. - Meaningful citizen participation and empowerment. - Guaranteed customer and citizen care and service. A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross-cutting output).	- Active and engaged citizenry. - Good governance. - Financial sustainability.



Figure 2 depicts the eleven identified mayoral priorities that are guided by national and international discourses on governance and socio-economic development.

MAYORAL PRIORITIES



Figure 2: Mayoral priorities

The Business Plan has also taken into account the seven strategic goals as indicated in Table 4 with their strategic objectives. Johannesburg Water strategic goals support the achievement of the outcomes of Mayoral priorities and GLU objectives.

Table 4: Johannesburg Water Strategic goals and objectives

STRATEGIC GOALS	STRATEGIC OBJECTIVES
1. Utilise infrastructure delivery to create jobs, support SMMEs and attract investment.	Roll out infrastructure to deliver services that attracts investment in the CoJ; while rolling out infrastructure, jobs will be created with an emphasis on developing SMMEs.
2. Deliver water and sanitation services of good quality that are accessible, reliable and efficient.	Provide additional households with services at a minimum Level of Service 1 (LoS1) for water and sanitation basic services, where there is inadequate provision of water and sanitation to improve the quality, reliability, and efficiency of the provision of these services.
3. Operate in a manner that promotes environmental conservation and sustainability.	Minimise and prevent environmental pollution.
4. Improve customer and stakeholder satisfaction.	Enhance internal and external communication.
5. Enhance sound financial management, sustainability, and good governance.	Enhance the business processes and internal controls, with a focus on sound financial management, financial sustainability, and good governance.
6. Use of technology for effective and efficient operations.	Maximise the use of technology to be effective and efficient in processes company wide.
7. Invest in our staff to sustain their optimal performance with a service-focused culture.	To attract, develop and retain competent and skilled talent to enable high performance. The focus includes creating an organisational culture that is safe and conducive towards diversity and inclusivity.

The main strategic interventions for improvement for 2025/26 FY, which are to be implemented by the Entity to realise the Mayoral priorities, are as follows:

- Implementation of a **Job Creation Programme** that will increase the number of Expanded Public Works Programme (EPWP) jobs created, as well as the number of SMMEs supported.
- Continued implementation of the **Informal Settlements Upgrade Programme** to ensure those residents have access to basic water and sanitation services, as projected.
- Implementation of the **Infrastructure Investment Programme**, with special emphasis on investment that focuses on renewal and refurbishment including preventative maintenance.
- Implementation and enhancement of the **Water Services Programme**, where the quality and standard of water provided is maintained, new water meters are connected within the prescribed timeframes and timeous response to water interruptions and water bursts is upheld.
- Implementation of the **Sanitation Services Programme**, where there is a reduction of wastewater spills at WWTW and prompt response to sewer blockages.
- Implementation of the **Revenue Enhancement Programme**, through the continued implementation of efforts to reduce the levels of Non-Revenue Water (NRW) and the improvement of meter reading levels as this will go a long way in addressing Johannesburg Water's financial sustainability.
- Implementation of the **Water Demand Management Programme**, where household consumption of water per capita per day is maintained at acceptable levels.
- Assess infrastructure for **removal of dependency on water supply from other municipalities**, this will aim to create adequate storage capacity within the municipal area.

Table 5 depicts the five immediate TAS24 Strategic Shifts that the TAS24 is centered around.

Table 5: The Five TAS24 Strategic Shifts

	STRATEGIC SHIFT	JOHANNESBURG WATER STRATEGIC SHIFT GOALS
1	Re-align customer & revenue value chain and increase cash collections	- Johannesburg Water to have full responsibility for the customer and revenue value chain for 30% of its customers accounting for 50% of its revenue by 31 December 2024, including all industrial and commercial customers. - Johannesburg Water target achieves 95% cash collection for the customers for which it has full management responsibility by 30 June 2025. - Increase cash collection to 80% in FY 2023/24, 85% in 2024/25, 90% in 2025/26 and to 95% by 2028/29 for all Johannesburg Water customers.
2.	Restructure relationship with the city for mutual success	- Fair and quantified allocation of the equitable share that is directly related to the City's mandate and requirement to provide free basic water and sanitation services to qualifying households, including households living in informal settlements, agreed between Johannesburg Water and City for 2023/24 and beyond. - Reach an explicit multi-year financial agreement that governs the financial relationship between the City and Johannesburg Water and that includes quantified financial flows and performance targets by 30 June 2024. - Increase investment programme in accordance with financial capacity and cash flows, while borrowing through CoJ from Treasury using structured and project-related borrowing, based on cash flows, in support of its capital investment programme as established in the multi-year financial agreement.
3.	Re-establish independent corporate governance for effective performance	A new shareholder compact, signed between the City and Johannesburg Water, that protects and promotes sound governance in the following ways: - Includes corporate governance protocols that will ensure the appointment of a suitably skilled, experienced and independent board. - Ensures stable governance through staggered rotation of board members of no more than a third of board members every three years. - Adheres to the King IV principles and code for good governance. - Ensures management autonomy with accountability; and, - Includes other governance protection mechanisms necessary for Johannesburg Water to attain and retain creditworthiness, to the satisfaction of National Treasury and other financiers.
4	Ramp up investment in both asset renewal and expansion	Increase annual capital investment from R1,072 billion in 2023/24 to R2 billion in 2024/25 and R3 billion in 2025/26, with further increases thereafter.
5	Establish capacity for effective implementation	To ensure the necessary management and technical capability to effectively implement the turnaround and establish good performance across all areas of its operations, including the following: - Achieve the cash collection efficiency target of 95% in five years. - Reduce Non-Revenue Water to 30% in 2028. - Implement a significantly expanded capital investment programme for infrastructure renewal and expansion. - Turn around wastewater treatment performance and achieve Green Drop status. - Improving storage capacity and network management, and increase the resilience of network to power cuts, significantly reducing the frequency and extent of water interruptions; and, - Build climate resilience.

Table 6 depicts the alignment of the seven Johannesburg Water Strategic Goals (SG 1-7), Mayoral Priorities, GDS outcomes where applicable, Strategic shifts and Company programmes.

Table 6: Alignment of the Johannesburg Water strategic goals to the Mayoral priorities, TAS24 Strategic Shifts and GLU objectives.

GDS OUTCOMES	GDS OUTPUTS	MAYORAL PRIORITIES	JOHANNESBURG WATER STRATEGIC GOAL	JOHANNESBURG WATER STRATEGIC SHIFT	JOHANNESBURG WATER PROGRAMME
1. Improved quality of life and development-driven resilience for all.	- A society characterised by healthy living for all. - Safe and secure city.	P7: A safer city	SG2: Deliver water and sanitation services of good quality that is accessible, reliable, and efficient.	TSS4: Ramp up investment in both asset renewal and expansion.	Prevention of infrastructure theft and vandalism.
2. Provide a resilient, liveable, sustainable urban environment underpinned by smart infrastructure supportive of a low carbon economy	- Sustainable and integrated delivery of water. - Sustainable and integrated delivery of sanitation. - Sustainable human settlements. - Climate change resilience and environmental protection.	P4: Sustainable service delivery	SG2: Deliver water and sanitation services of good quality that is accessible, reliable and efficient.	TSS4: Ramp up investment in both asset renewal and expansion.	- Infrastructure upgrade. - Repairs and maintenance of networks. - Water quality assurance.
		P5: Infrastructure development and refurbishment	SG3: Operate in a manner that promotes environmental conservation and sustainability.	TSS4: Ramp up investment in both asset renewal and expansion.	- Wastewater Treatment Works (WWTW) programme. - Water demand management systems. - Water quality. - Environmental compliance.
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.	- Job-intensive economic growth. - Increased competitiveness of the economy.	P9: Sustained Economic Growth. P6: Job opportunity and creation.	SG 1: Utilise infrastructure delivery to create jobs, support SMMEs and attract investment.	TSS4: Ramp up investment in both asset renewal and expansion.	- Economic developmental nodes. - Upgrading and renewal of networks. - Expansion of WWTW programme. - Transit-oriented Development (TOD) and Corridors of Freedom. - Water demand management. - Reservoir storage capacity.
		P 11: A smart City.	SG 6: Use of technology for effective and efficient operations.	TSS5: Establish capability for effective implementation.	- Field Service Management (including Customer Mobile App). - Customer Relationship Management (CRM). - Business process – Digital by design (eProcurement, eRecruitment, etc.). - Automated Fleet Management - Innovation and Technology Programmes.

GDS OUTCOMES	GDS OUTPUTS	MAYORAL PRIORITIES	JOHANNESBURG WATER STRATEGIC GOAL	JOHANNESBURG WATER STRATEGIC SHIFT	JOHANNESBURG WATER PROGRAMME
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.	- Partnerships, intergovernmental & international relations. - A responsive, accountable, efficient, and productive metropolitan government. - Financially sustainable and resilient city. - Meaningful citizen participation and empowerment. - Guaranteed customer and citizen care and service. A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross-cutting output).	P1: Good governance.	SG 5: Enhance sound financial management, sustainability and good governance.	TSS 1: Re-align the customer and revenue value chain and increase cash collections. TSS 2: Restructure the financial relationship with the City for mutual success. TSS3: Re-establish independent corporate governance for effective performance	- Good Governance. - Zero tolerance to fraud and corruption. - Enhance SCM. - Corporate Governance. - Non-revenue water. - Ethics Awareness. - Integrity Management.
		P2: Financial Sustainability.	SG 5: Enhance sound financial management, sustainability, and good governance.	TSS3: Re-establish independent corporate governance for effective performance.	- Financial Performance and Management. - Non-revenue water. - By-law enforcement. - Revised credit control strategy. - Revised tariff structure. - Alternative infrastructure funding mechanisms. - Public-Private Partnerships (PPP). - Risk and compliance
		P8: Active and Engaged Citizenry.	SG 4: Improve customer and stakeholder satisfaction.	TSS1: Re-align the customer and revenue value chain and increase cash collections.	- Realign customer & revenue value chain. - Internal Communication. - Customer Satisfaction Survey. - Stakeholder engagement and public participation. - Public education. - Media Relations and External Communication. - Community engagements. - Campaigns and outreach.



CHAPTER 3

STRATEGIC ANALYSIS

3. STRATEGIC ANALYSIS

3.1 Service Delivery, Infrastructure Backlog and Challenges

Johannesburg Water has total infrastructure assets with a current replacement cost of R 127 billion as of 30 June 2024. The infrastructure consists of water networks (12 520 km), sewer networks (11 933 km), water and sewer pump stations (75), reservoirs and water towers (129, with a combined capacity of 1 943ML) and WWTW (six with a combined capacity of 1 043 ML/day). CoJ water and sanitation service is experiencing serious challenges and is not sustainable. Long-term under-investment, weakening financial performance and declining services have put CoJ's water and sanitation services into a compromised position, in terms of reliability for both the CoJ residents and business, which in turn negatively affects health, as well as new investments in the city to support job creation and economic growth.

Johannesburg Water long-term and ongoing decline in service performance, include the following:

- A 54.37% increase in the frequency of water mains bursts, from 301 to 464.66 per 100 km per year between 2012 and 2024.
- A 56,80% increase in non-revenue water from 29.4% to 46.2% between 2007 and 2024.
- A 28% reduction in water storage capacity for the distribution system from 39 to 28 hours of average consumption between 2012 and 2022, compared to a benchmark of 48 hours, increasing the vulnerability of the CoJ's water supply to cuts in electricity supply, and resulting in more frequent and longer water supply interruptions.
- An 4.78% increase in the number of sewer overflows from 384 to 402.36 per 100 km per year between 2012 and 2022.
- A 19% decline in wastewater treatment performance from 86 to 70 between 2013 and 2022, as measured by the Green Drop audits.
- Increasing wastewater treatment capacity deficits that limit economic development.

The decline in the quality and reliability of services is largely the resultant of under-investment

There has been long-term and systematic under-investment in both asset renewal and asset expansion to cater for new growth. Investment today is lower than it was 15 years ago. Consequently, there is a large backlog in investment needs. Low investments over a long period of time have had an impact on the reliability and quality of services, and on the ability of CoJ to meet increasing demands for water and sanitation services as a result of an increasing population and new developments. For example, local water storage capacity has declined from 39 to 28 hours of supply between 2002 and 2022. This has made the water supply much more vulnerable to cuts in electricity supply, with more frequent and longer supply interruptions. Lack of sufficient capacity limits new investments and economic growth. For example, Lanseria has been identified as a key economic zone in the northwestern catchment of the CoJ, but urban development is being constrained due to the lack of wastewater treatment infrastructure.

Five TAS24 Strategic Shifts to turnaround the decline:

- Realign customer & revenue value chain and increase cash collections.
- Restructure relationship with the city for mutual success.
- Re-establish independent corporate governance for effective performance.
- Ramp up investment in both asset renewal and expansion.
- Establish capacity for effective implementation.

Asset management plans dictate a renewal rate of 2% per year of assets' replacement value as per industry norm and practices. An asset renewal rate is defined as the yearly proportion of an asset that needs to be replenished to ensure that the asset is replaced by the end of its expected useful life. Short-expectancy useful life assets, such as electro-mechanical equipment, will have a higher renewal rate compared to long-expectancy useful life assets, such as civil infrastructure.

The renewal backlog (i.e., asset with remaining useful life between 0 – 2 years and assets which are due for upgrading) of R26.61 billion requirement is categorised as follows:

- Water mains replacement: R2.7 billion
- Sewer mains replacement: R2.9 billion
- Water and sewer capacity upgrading backlog: R13.7 billion.
- WWTW capacity upgrading and equipment replacement: R7.3 billion.

The Trading Services Reforms Performance Improvement Action Plan (A3: PIAP) has been created to meet shareholder requirements from the to implement, monitor and report on the on the improvements resulting from the implementation of the TAS24 Strategic Shifts. The Trading Services Reforms Performance Improvement

Action Plan will be delivered using the following primary emphasis areas as operational plans:

- Accountability Performance
- Financial performance
- Operations - Water and Sanitation.
- Utility mandate

Figure 3 indicates the entire assets portfolio and its current conditions. The condition of infrastructure assets is assessed utilising a generic five-point grading scale. Infrastructure falling in the poor to very poor category can be described as having significant deterioration and generally correlating within the 0-5 year “Remaining Useful Life” category as indicated in Table 7. Where physical inspections were not possible (e.g., pipes), the condition was extrapolated from historical performance data such as water bursts and sewer blockages.

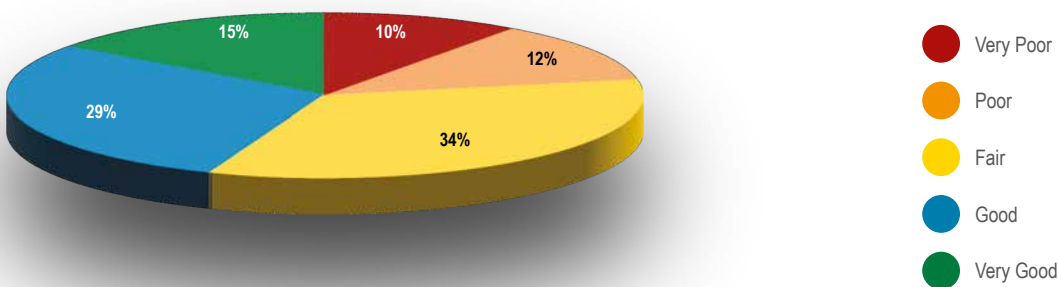


Figure 3: Assets condition profile distribution

Figure 4 depicts the remaining useful life asset portfolio level over a period from 0 to over 20 years against corresponding current replacement costs.

Remaining Useful Life (RUL) Asset Portfolio Level

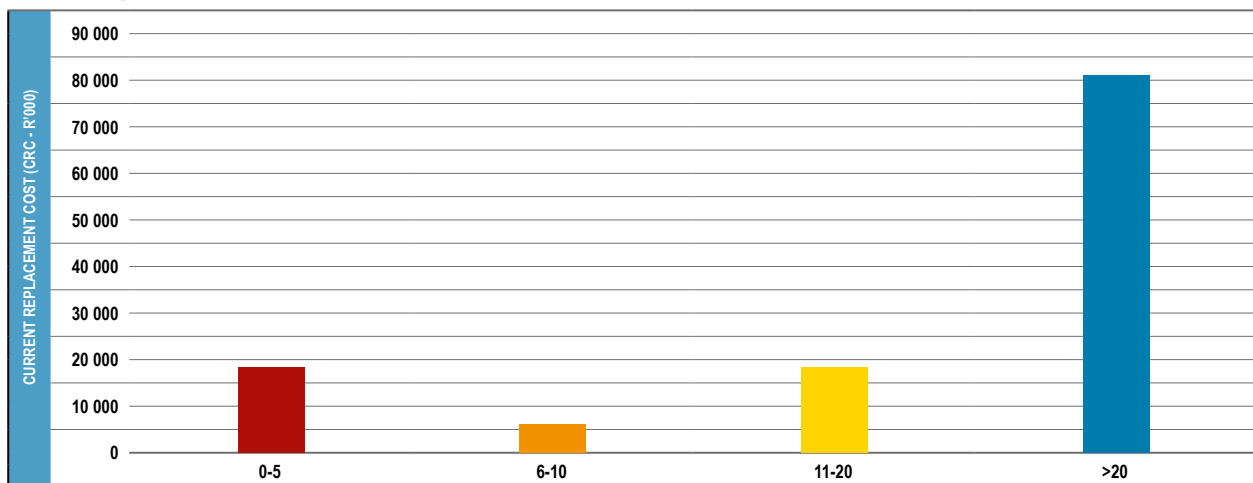


Figure 4: Remaining useful life



The expenditure pattern indicates that an average renewal rate of 1.0% has been achieved with current funding allocations. The Company has a total infrastructure renewal backlog (i.e. asset with remaining useful life less than 10 years) of R25.2 billion as a result of underfunding. This backlog translates to 20% of the total asset base as indicated in Figure 4 and Table 7.

ASSET GROUP	REMAINING USEFUL LIFE (YEARS) (CRC AMOUNTS – R MILLION)				
	0–5	6–10	11–20	>20	TOTAL
Water supply network	8,022	2,172	5,227	34,881	50,302
Wastewater network	9,257	1,116	10,219	42,142	62,734
Wastewater treatment works	1,933	2,384	3,707	5,570	13,594
Operational buildings	185	161	169	282	797
Total	19,397	5,833	19,322	82,875	127,427
Composition	15%	5%	15%	65%	100%

The average remaining useful life of Johannesburg Water’s water and sewer pipeline is 51 years which translates to a renewal target of 2%, therefore Johannesburg Water pipe replacements value per year should amount to R755 million for water pipes and R941 million for sewer pipes to meet the pipe renewal target of replacing 2% of its asset value per year. Over the past ten-year period, Johannesburg Water has never met the 2% renewal rate due to funding limitations. Figure 5 provides the detailed past performance of the infrastructure renewal rate, which included pipe replacements at a target of 1.5%. Infrastructure renewal should amount to R2.5 billion per annum to meet the infrastructure renewal target of replacing 1.5% of its asset value per year to clear the backlog.

Infrastructure Renewal Rates

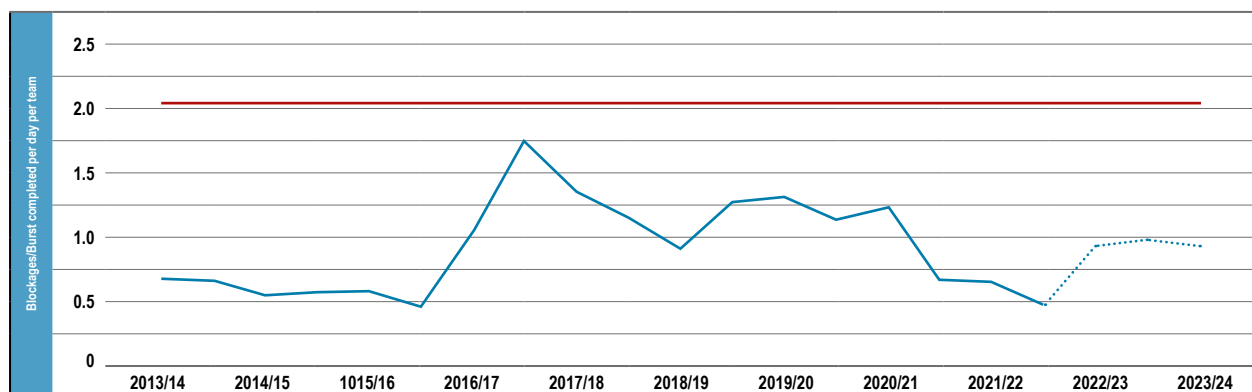


Figure 5: Johannesburg Water infrastructure renewal rate

Figure 6 further demonstrates the effect of not achieving the required renewal rate over the past 10 years.

Infrastructure deterioration results from not renewing infrastructure at the required rate which translates into a loss of infrastructure value. Johannesburg Water's infrastructure portfolio of R127 billion lost 50% of its value, which equates to R63.5 billion. This loss of value occurs from the moment each piece of infrastructure is installed. This amount is therefore not an indication that the assets have collapsed or failed but is tracked year-on-year to ensure that budgeting for ultimate replacement at end of life is done ahead of time.

Infrastructure Deterioration

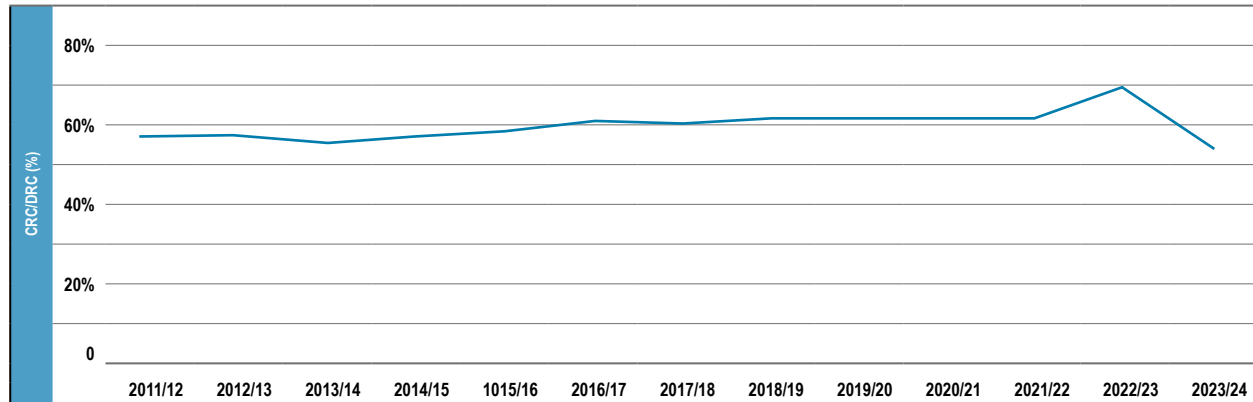


Figure 6: Johannesburg Water infrastructure deterioration

Johannesburg Water's upgrading masterplans are informed by hydraulic models which analyse the performance of the water and sewer networks. The models are continuously updated as per the Strategic Development Framework (SDF) and development trends. The objective of the master plans is to ensure that capacity is available to support existing and future development. Increased demand because of continuous development and population influx has resulted in a significant upgrading backlog.

The master plans identify existing and future capacity constraints, as well as the infrastructure needed to resolve them. The capital investment required for capacity upgrading to support development for the 10-year horizon is reflected in Table 8.

Table 8: Summary of networks capital investment requirements

UPGRADE CATEGORY	EXISTING UPGRADES (CURRENT) R'000	FUTURE (10-YEAR PROJECTION) R'000	TOTAL 10-YEAR REQUIREMENT R'000
Water			
Bulk pipelines	4,376,700	1,065,399	5,442,099
Distribution mains	1,337,742	370,664	1,708,406
Reticulation	1,818,044	260,322	2,078,366
Sub-Total	7,532,486	1,696,385	9,228,871
Sewer			
Outfall sewers	448,208	813,196	1,261,404
Collector sewers	555,426	678,980	1,234,406
Reticulation	1,046,136	965,509	2,011,645
Sub-Total	2,049,770	2,457,685	4,507,455
Total	9,582,256	4,154,070	13,736,326

The existing upgrade of R9.6 billion is needed where capacity has already been exceeded and is therefore classified as backlog. Future upgrades are required for anticipated demand over the next 10 years. Network backlogs have increased significantly, posing a serious risk to development and economic objectives. The improvement of water and sewer infrastructure takes into consideration the upgrade of informal settlements requirements and marginalised areas. The upgrading requirements for informal settlements therefore, forms part of the R13.7billion future upgrades.

Figure 7 depicts that lower capital funding on renewal rates has a direct impact on the quality of services rendered to residents, prioritisation of water pipe burst has resulted in improved team productivity.

Capital Funding on Renewal Rates

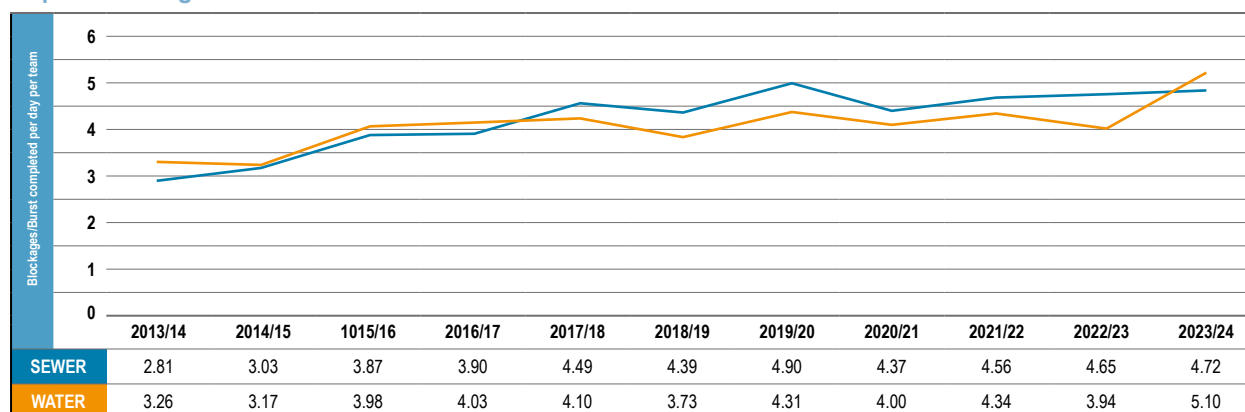


Figure 7: Number of bursts and blockages per km

Figure 8 shows the increase in the number of bursts and blockages per year until 2016/17 for bursts and 2017/18 for blockages, after which the number started to decline with an increase again in 2019/20. It decreased in 2020/21 FY only to increase in 2021/22 FY. Sewer blockages show an increase since 2012/13 until 2019/20 after which the number of blockages decreased for 2020/21 until 2023/24 FY.

The water bursts from 2021/22 to 2023/24 the number remains relatively the same with slight increase in the 2023/24 FY.

Number of Bursts and Blockages per Year

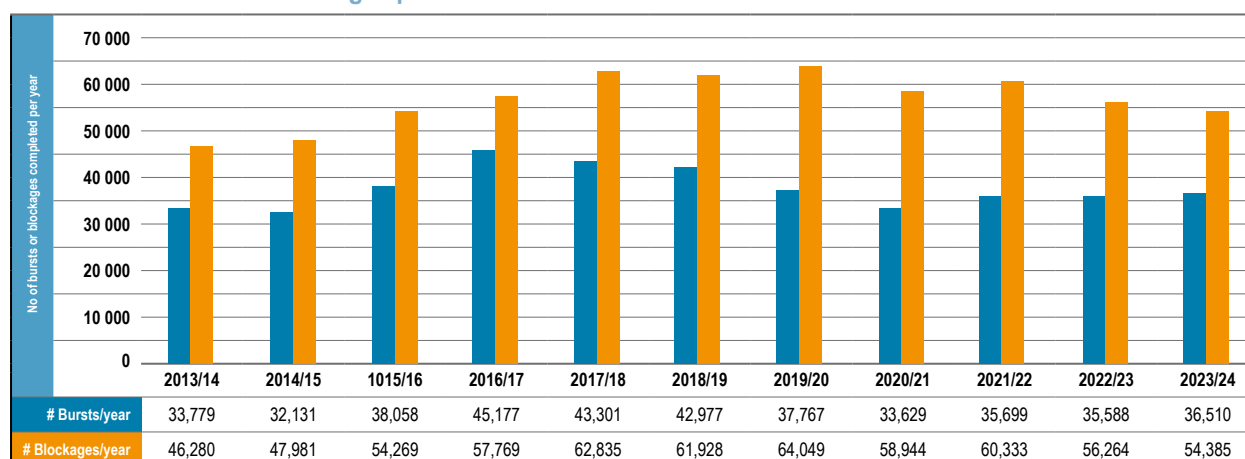


Figure 8: Bursts and blockages per year

The renewal of bulk wastewater electromechanical infrastructure through the implementation of the Infrastructure Renewal Plans is key to maintain the current treatment capacity and improve plant availability through enhanced improvements to electrical and mechanical efficiencies, thus improving effluent compliance. The capital investment required for renewal and capacity upgrade for the 10-year horizon is reflected in Table 9.

Table 9: Summary of Bulk wastewater capital investment requirements

BULK WASTEWATER CATEGORY	EXISTING RENEWAL/ UPGRADES (CURRENT) R'000	FUTURE (10-YEAR PROJECTION) R'000	TOTAL 10-YEAR REQUIREMENT R'000
Bulk Wastewater			
Infrastructure Renewal	1,540,000	-	1,440,000
Capacity Upgrade	2,350,000	3,400,000	5,750,000
TOTAL	3,890,000	3,400,000	7,290,000

The resultant value of critical assets, which require replacement or renewal, is R25.23 billion (refer to Table 7, over the next 10-year period). This equates to a requirement of R2.52 billion per annum over the next 10 years for capital replacement or renewal, which is currently a barrier. In addition, the network upgrading and WWTW upgrading necessitates an amount of R15.3 billion over the 10-year period. The total combined amount needed is R58.8 billion, equivalent to R5.9 billion per annum for the upgrade and renewal of infrastructure over the 10-year horizon. In response to infrastructure renewal need and affordability, the proposed budget for Johannesburg Water over the next five years amounts to R12.84 billion.

3.2 Environmental Analyses

The environment within which the Company operates is complex. In terms of the planning cycle, the Company undertakes environmental scanning, which provides the input required to develop an informed Business Plan. This takes into consideration all internal and external factors through the strengths, weaknesses, opportunities and threats (SWOT)/(TOWS) and the political, economic, social, technological, legislative and environmental (PESTLE) analysis respectively.

TOWS

The TOWS matrix outlined in Table 10 highlights use the same acronyms as the SWOT analysis and focus on the same elements – Strengths, Weaknesses, Threats, and Opportunities. However, whereas a SWOT analysis simply lists the facts, a TOWS matrix helps to put the pieces together and formulate a plan to move forward. Johannesburg Water's strategic goals, as identified, strive to enhance the strengths and opportunities, while applying mitigating strategies to address the weaknesses and threats identified.

The TOWS (Threats, Opportunities, Weaknesses, Strengths) analysis builds on the tried and tested SWOT model. The TOWS matrix is often called the 'next step' after a SWOT analysis. It is a tool which is used to generate, compare and select strategies.

Four TOWS strategies:

- Strength/Opportunity (SO). Use strengths to exploit opportunities.
- Weakness/Opportunity (WO). Options that overcome weaknesses, and then take advantage of opportunities. i.e. mitigate weaknesses, to exploit opportunities.
- Strength/Threat (ST) - Exploit strengths to overcome any potential threats.
- Weakness/Threat (WT) - use a weakness to overcome a threat. With Weakness/Threat (WT) strategies one is attempting to minimise any weaknesses to avoid possible threat.

Table 10: SWOT/TOWS analysis

INTERNAL FACTORS			
EXTERNAL FACTORS	STRENGTHS (S)	WEAKNESSES (W)	
	• Leadership alignment and provision of clear direction • Directives by statutory bodies • Capital infrastructure investment planning • Workplace culture • Depots in communities • Committed teams • Stable workforce • Business viability.	• Supply chain management processes and systems (Under- capacitation of the Demand Management Section within SCM and delayed approval of confirmation of funds) • Payment collection levels lower than norms and standards • High water losses • Untested Business Continuity Plan • Deficiencies in the availability of vehicles for teams to execute their jobs. • Non-compliance with the water allocation by Rand Water • Non-responsive Service delivery model on revenue management • Cash flow constraint. • Negative impact of Aging infrastructure to service delivery • Asset management • Long-term declining performance • Effective stakeholder engagement • Sustainability of the business • Throughput turnaround times • Limited capacity in innovation and technology • Unfunded vacancies (Adequacy and funding)	
EXTERNAL FACTORS	OPPORTUNITIES (O)	STRENGTHS/ OPPORTUNITIES (SO)	WEAKNESSES/OPPORTUNITIES (WO)
	• Water conservation • Infrastructure renewal • Increase revenue. • Review the revenue model. • Alternative delivery methods of Capex projects (including PPP) • Community education • Diverse revenue streams. • Improved service delivery. • Sole provider with a single bulk supplier • Technology and innovation. • Expand advertising. • Improve Intergovernmental Relations (IGR) • New way of operating (relative to pre-COVID era). • Water resource management. • Adequate preparedness for natural disasters. • Re-skilling (optimising relationships with sector partners) • Diversification of water sources.	S-O Strategies: Use strengths to exploit opportunities. • Implementation of WC/WDM strategy. • Increase infrastructure investment. • Implementation of TAS24 • Implement PPP for WC/WDM projects • Implement the Infrastructure security plan • Back-up power for facilities • Exemption of key facilities from loadshedding • Implementation of FSM • Realign customer & revenue value chain	W-O Strategies: Overcome weaknesses to exploit opportunities. • Restructuring of SCM. • Implementation of TAS24. • Implementation of WC/WDM. • Stakeholder engagement • Implementation of FSM. • Testing of business continuity • Asset management • Implementation of FSM • Realign customer & revenue value chain

EXTERNAL FACTORS	THREATS (T)	STRENGTHS/THREATS(ST)	WEAKNESSES/THREATS(WT)
	Threats: - Increased capacity demand. - Theft & Vandalism of infrastructure. - Theft of water. - Capital project stoppages by communities. - Material price increase – Input costs i.e., fuel. - Inadequate preparedness for natural disasters. - Third-party liability - Increasing resistance to metering. - Water security change. - Climate change. - Revenue collection. - Cash-flow management. - Loadshedding - Land invasion. - Climate adaptation - Scarcity of critical skills in the market. - Implementation of the vehicle control Model. - Impacts of aging infrastructure on service delivery. - Culture of non-payment of services. - Lack of continuity of Board Members. - Population growth migration. - Political Instability (populism) - Secondary beneficiaries.	S-T Strategies: Use strengths to counteract threats. - By-law enforcement - Effective stakeholder engagement - Implementation of WC/WDM strategy. - Increase infrastructure investment. - Implementation of TAS24 - Upgrading and renewal of networks.	W-T Strategies: Minimized weaknesses to defend against threats. - By-law enforcement - Effective stakeholder engagement - Implementation of WC/WDM strategy. - Increase infrastructure investment. - Implementation of TAS24



PESTLE

The (PESTLE) analysis involves the collection and portrayal of information about external factors, which have, or may have, an impact on Johannesburg Water. These factors are detailed in Table 11.

Table 11: PESTLE strategic analysis

CATEGORY	FACTORS
Political	• Impact of frequent local government arrangements • Service delivery protests and interruptions • Demand for services triggered by land invasion • National Election Period
Economic	• Increased bulk water tariffs • Low economic growth rate • High unemployment rate • Increasing inflation • Fuel cost increases • Low payment and/or non-payment for services • Inability to raise independent funding • The CoJ and national Sovereign rating respectively • In-ward migration • Higher demand for social investment (financial impact on the organisation) • Volatility of interest rates • Energy availability • Unfavorable credit rating of the Country
Social	• Urbanisation/immigration • Increased demand for services in informal settlements (financial impact on the organisation) and high-density settlements • Consumer awareness and ignorance on infrastructure usage, i.e., abuse of infrastructure • Vandalism of infrastructure • Consumer awareness of water as a scarce resource. • Higher demand for social investment (financial impact on the organisation) • Demand for better services in line with higher awareness of human rights. • Rising community activism (business forums) • Culture of non-payment for services including illegal connections • Population growth • Risk of unhealthy future population
Technological	• Rapid change in technology (Smart city requirements) • Communication infrastructure gaps • Research and technology advancement. • Lack of high-technology skills (countrywide) • Increase in level of cyber-attacks. • Influence of social media • Communication infrastructure gaps – to expand. • Rapid Change in technology (e.g. Artificial Intelligence) • Rapid Change in technology (e.g. Artificial Intelligence)
Legislative	• Compliance to legislative prescripts relevant to Johannesburg Water • Contractual obligations (including construction) • Directives by statutory bodies • Inadequate law enforcement

CATEGORY	FACTORS
Environmental	• Climate change • Quality and environmental standards • Increased water demand • Carbon emissions • Acid mine drainage • Alternative water resources • Impact of drought • Spatial planning • Pollution of water resources • Increase in inflation. • Energy availability

3.3 Enterprise Risk Management

Enterprise Risk Management (ERM) is a critical component of the Company’s Strategic Management and is a tool that enables the achievement of its strategic objectives and the long-term sustainable growth of the business. Johannesburg Water has a structured and dynamic risk management system which aligns with the City’s approved ERM Framework. This ensures that the Company maintains a systematic and consistent approach to the management of business risks as mandated by Section 95 (c) (i) of the Municipal Finance Management Act, No.56 of 2003.

The Company has a Risk and Compliance Department that facilitates the embedding of risk management across the organisation and the creation of a risk intelligent culture. It furthermore serves to ensure that significant risks and related opportunities within the organisation are identified and managed within defined risk appetite levels. This supports the Company in its endeavours to accomplish its business objectives.

Johannesburg Water recognises the importance of risk management in ensuring good governance and equally places strong emphasis on the need to continuously strengthen and enhance its internal control environment. To this end, the Company devotes substantial attention and effort to the management of significant risks around key areas such as strategic, reputational, operational, financial, legal and environmental as well as compliance risks within the organisation.

3.3.1 Risk Management Approach

The Board of Directors provides oversight over risk management and is accountable for ensuring that Johannesburg Water has an advancing level of risk maturity that enables an effective risk leadership culture. This includes ensuring that the Company has robust and effective risk management structures, systems and processes that enable the identification and management of significant risks and opportunities. In carrying out this responsibility, the Board has delegated this oversight responsibility to the Audit and Risk Committee. The Committee fulfils this role by overseeing the development and maintenance of ERM Policy, ERM Strategy, the annual Risk and Compliance Implementation Plan and through the review of quarterly reports that are presented to the Board in each quarterly reporting cycle.

Risk Management, as applied throughout the organisation focuses, on improving internal controls, operational efficiencies, and enhancing service delivery and customer relations. Risk-taking is a necessary element of the service delivery model informed and guided through the risk appetite and risk tolerance parameters established. The Company promotes responsible risk-taking by ensuring that risks are mitigated within the risk appetite and tolerance levels from decision making through to day-to-day operations.

In managing daily risks, operational risk registers are maintained in all departments, and risks are allocated to those best placed to manage them. Various platforms exist that enable frequent and ongoing engagements and collaboration on the management of interconnected risks across various functions, and these include a Risk Champions Forum and the Risk and Information Communications and Technology (ICT) Steering Committee.

The following outcomes underpin risk management practices within Johannesburg Water:

- More sustainable and reliable delivery of services.
- Informed decisions underpinned by appropriate rigour and analysis.
- Reduction of wasteful expenditure.
- Prevention of fraud and corruption.
- Better value for money through more efficient use of resources.
- Better outputs and outcomes through improved project and programme management.

3.3.2 Understanding Significant Risks to the Business Plan

The Board of Directors set the tone at the top for ERM within Johannesburg Water and this has been demonstrated through the alignment of risk management with strategy development processes within the Company. Strategic risk identification and assessment are considered a critical part of strategy development whereby the Board actively

engages with respect to the potential risks and opportunities that can affect the achievement of Company goals.

A Board Strategic Planning and Risk Workshop was held on 12th and 13th November 2024 whereby discussions informed the determination of the company's strategic goals and lead to the development of this Business Plan. This approach identified Johannesburg Water's Strategic Risks to the development and implementation of the Business Plan, as well as significant risks to the overall sustainability of the organisation. The approach adopted by the Board ensures that an inherent risk assessment is performed at Board level, followed by a review of existing controls and control effectiveness performed by Executives. This process concludes with the Strategic Risk Register that is presented to the Audit and Risk Committee for validation prior to final adoption by the Board.

The Company has adopted a 5 x 5 (25) rating scale method as reflected in Table 12, which was used in the assessment of Strategic Risks. The Strategic Risks of Johannesburg Water for the 2025/26 period are outlined in Table 13 and the full details are in annexure.

Table 12: Rating scale method

IMPACT	CRITICAL 5	LOW	MODERATE 10	HIGH 15	VERY HIGH 20	VERY HIGH 25
	MAJOR 4	LOW	MODERATE 8	HIGH 12	HIGH 16	VERY HIGH 20
	MODERATE 3	LOW 3	MODERATE 6	MODERATE 9	HIGH 12	HIGH 15
	MINOR 2	LOW 2	LOW 4	MODERATE 6	MODERATE 8	MODERATE 10
	RARE 1	LOW 1	LOW 2	LOW 3	LOW 4	LOW 5
		RARE 1	UNLIKELY 2	POSSIBLE 3	LIKELY 4	ALMOST CERTAIN 5
LIKELIHOOD						

Table 13: Strategic Risk register

STRATEGIC RISK	JOHANNESBURG WATER STRATEGIC GOAL	RISK TITLE
SR 1	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient	Security of Supply (Water demands outstripping supply)
SR 2	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Declining Payment Levels
SR 3	SG 1 - Utilise infrastructure delivery to create jobs, support SMMEs and attract investments	Inadequate Funding of Infrastructure & Operations (Incl. Renewal, Mega & Expansion Projects)
SR 4	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance	Increasing Non-Revenue Water
SR 5	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient	Bulk Infrastructure Failure
SR 6	SG 3 - Operate in a manner that promotes environmental conservation and sustainability	Wastewater Spillages
SR 7	SG 5 - Enhance sound Financial Management, Sustainability and Good Governance.	Significant Dependencies on City Compromising Long-term Planning, Optimal Operations/ Service Delivery & Sustainability
SR 8	SG 4 - Improve customer and stakeholder satisfaction.	Stakeholder Dissatisfaction and Active Opposition
SR 9	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Failure of the Johannesburg Water Turnaround Strategy 2024
SR 10	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient	Public Health and Safety
SR 11	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture.	Misalignment of Organisational Structure, Capacity and Business Strategy
SR 12	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance	Inability to recover from Major Business Interruptions and Disasters
SR 13	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture.	Compromised health, safety and wellbeing of employees on duty.
SR 14	SG 3 - Operate in a manner that promotes environmental conservation and sustainability	Climate Change Adverse Events
SR 15	SG 6 - Use of technology for effective and efficient operations.	Slow Adoption of New Technologies
SR 16	SG 6 - Use of technology for effective and efficient operations.	Cyber Security Breaches
SR 17	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient	Inability to effectively attract, develop and retain talent for the stability of the organisation and its operations.
SR 18	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient	Vandalism and Theft of Infrastructure
SR 19	SG 5 - Enhance sound Financial Management, Sustainability and Good Governance.	Unethical Behaviour

3.3.1 Emerging Business Risks

Late payment of suppliers is an emerging risk that was observed during the 2023/24 and 2024/25 FYs in relation to the allocation of cash to Johannesburg water. The Cash balance of Johannesburg Water is currently under the daily sweeping arrangement with the CoJ which requires the entity to periodically make a cash flow request to access its cash balance. The Company together with the CoJ are closely monitoring this risk to ensure that all service providers are paid on time in the future.

Erratic water supply patterns from the bulk water supplier have been identified as another emerging risk. Infrastructure failure and increasing demand are the main causes of this risk. The Company is working closely with the bulk water supplier to implement risk mitigating measures.



CHAPTER 4

STRATEGIC RESPONSE: IMPLEMENTATION, PERFORMANCE

4. STRATEGIC RESPONSE: IMPLEMENTATION, PERFORMANCE

4.1 Key Performance Areas

This section entails Johannesburg Water's execution strategies in response to the specified priorities identified. The response is executed through the medium-term plan, accelerated service delivery plan and strategic goals' programmes that are supporting the CoJ's strategic priorities and priority programmes. In putting the implementation together, the Company considers best practices in the sector and always strives toward benchmarking with them.

The Municipal Finance Management Act, No.32 of 2003 (MFMA) Circular No. 88 of November 2017 provided guidance to metropolitan municipalities on a common set of performance indicators applied from the 2018/19 planning and reporting cycle onwards. These indicators provide information for benchmarking purposes and are contained in this Business Plan.

4.1.1 Medium-Term (2021-26) Focus Areas

The 2021/22 FY was the commencement of the new IDP period for 2021/26 and the Company's focus areas for the period are the following:

- Water Demand Management.
- Water and sanitation infrastructure backlogs.
- Upgrading programme (Expansion).
- Water and sewer network.
- Reservoir upgrade programme.
- WWTW programme.
- Reinstatement of road surfaces backlogs
- Turnaround Strategy 2024 (TAS24)



4.1.2 Strategic Goals Programmes

The entity responds to the Mayoral Priorities together with the strategic GLU objectives through the seven Strategic Goals as well as the Turnaround Strategy 2024 (TAS24) which is centered around five Johannesburg Water’s immediate TAS24 Strategic Shifts (TSS), addressing the Water and sanitation services decline to deliver on the shareholder’s priorities, which are discussed in this section, however not all the Mayoral Priorities are applicable to Johannesburg Water’s planned short to medium-term and long-term interventions.

STRATEGIC GOAL 1	UTILISE INFRASTRUCTURE DELIVERY TO CREATE JOBS, SUPPORT SMMEs AND ATTRACT INVESTMENTS
Strategic objective	Roll out infrastructure to provide service delivery that attracts investment in the CoJ; while rolling out infrastructure, jobs will be created with an emphasis on developing SMMEs.
TAS24 Strategic Shift	Ramp up investment in both asset renewal and expansion.
GDS Outcome	An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.
GDS Outputs	• Job-intensive economic growth. • Increased competitiveness of the economy.
Mayoral Priorities	• Job opportunities. • Sustained economic growth.
Johannesburg Water Programmes	• Economic developmental nodes and corridors of freedom. • Upgrading and renewal of networks. • Expansion of WWTW programme. • Transit-oriented Development. • Water demand management. • Reservoir storage capacity.

This goal is about rolling out infrastructure, which attracts investment in the CoJ. While rolling out infrastructure, jobs will be created, with an emphasis on developing SMMEs.

Job Creation and Investment in Local Economy

In line with the CoJ’s commitment to support SMMEs, Johannesburg Water will continue to implement various programmes that are geared toward job creation, SMME development and empowerment. In its endeavour to reduce unemployment within the CoJ, Johannesburg Water is assessing a new model for contractor’s development aimed at developing small businesses to improve their full CIDB grades.

In 2025/26, Johannesburg Water plans to support 164 local SMMEs by rolling out infrastructure projects through subcontracting of at least 30% of the project budgets where feasible to Small Medium Enterprises (SMMEs). The direct cost for job creation for SMME/EPWP is based on the direct labour cost excluding equipment and material. Johannesburg Water will also unbundle large projects to suit SMME CIDB grading and capacity in particular instances.

To further boost the development of SMMEs, Johannesburg Water will encourage established contractors to not only subcontract, but also to form partnerships with SMMEs through joint ventures that will result in the transfer of skills and improve the capacity and expertise of SMMEs.

Table 14 details the number of SMMEs to be supported and the number of jobs to be created as a result of the implementation of the various programmes. The CoJ encourages economic development and growth with the aim of creating jobs.

Table 14: Job Creation Plan – 2025/26

PROGRAMME	NUMBER OF ENTITIES	ENTITIES OWNED BY YOUTH	ENTITIES OWNED BY WOMEN	ENTITIES OWNED BY DISABLED	NUMBER OF JOBS CREATED (EPWP)	CAPITAL BUDGET (R'000)	ESTIMATED SMME/EPWP COST (R'000)
Pipe Replacement	37	13	6	2	247	53,983	16,992
Operations and Maintenance	6	2	1	1	98	23,444	7,379
O&M Chemical Toilets	0	0	0	1	0	0	0,000
Installation of Basic water and Sanitation	8	1		1	101	16,803	5,289
Water Demand Management	6	2	6	1	137	25,680	8,083
Bulk Wastewater	36	11	5	2	323	103,386	32,541
New Infrastructure	18	8	0	2	225	60,141	18,930
Other Projects (Security/Depots)	4	1	0		702	34,328	10,805
Total	116	40	18	11	1830	317,765	100,019

Infrastructure Investment

Johannesburg Water has identified various infrastructure investment programmes that are key in the achievement of the CoJ's strategic objectives. The focus is mainly on the upgrading and renewal of networks, expansion of WWTW, reservoir storage capacity and water demand management initiatives.

In response to infrastructure, renewal needs and backlogs, the proposed budget for Johannesburg Water over the next five years amounts to R 12.84 billion. Table 15 provides a detailed breakdown of the capital budget per category. In 2025/26, R1.481 billion will be invested in various programmes. These programmes have been structured in a manner that responds to political direction, CoJ priorities, and Johannesburg Water's strategic goals.

Table 15: Five-year capital budget

CATEGORY	2025/26 R 000	2026/27 R 000	2027/28 R 000	2028/29 R 000	2029/30 R 000
Corporate Requirements	100,131	97,363	85,000	50,000	22,000
Water Demand Management	181,000	207,787	206,000	400,000	390,000
Operate and Maintain	363,600	259,350	138,927	140,000	145,000
Upgrading and Renewal	433,450	431,824	379,073	600,000	590,000
New Infrastructure	310,989	375,079	413,240	300,000	275,000
Planning and Engineering Studies	11,500	20,000	18,000	25,000	28,000
Marginalised Areas Program	89,064	98,000	158,927	110,000	115,000
Bulk Wastewater	214,146	470,721	585,340	630,000	645,000
Total	1,703,880	1,960,125	1,984,507	2,255,000	2,210,000
Renewal Rate	0.86	0.94	0.87	1.10	1.20

Figure 9 indicates the split of the capital budget programme with a bigger emphasis on infrastructure upgrade and renewal to ensure that the existing infrastructure does not deteriorate.

2025/26 - Percentage Capex per Programme

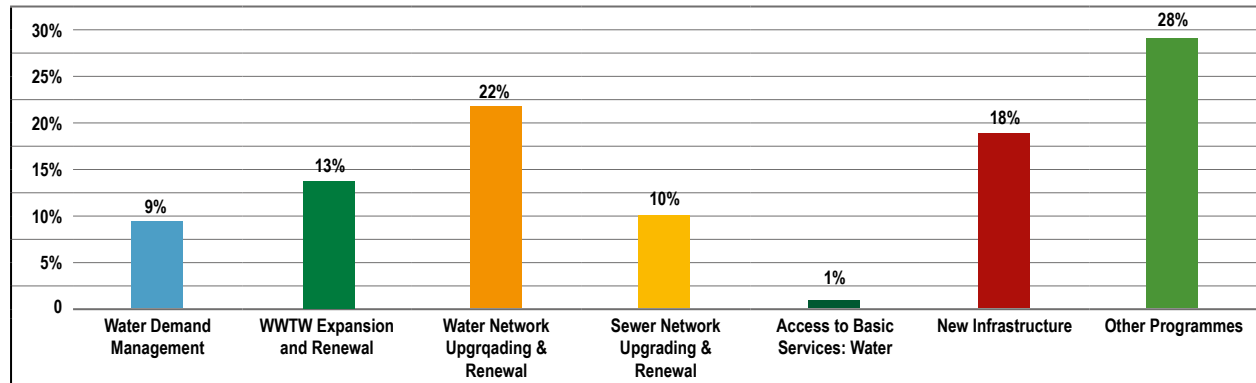


Figure 9: The 2025/26 capital budget weighted split per programme

Pipe Replacement Programme

To achieve a renewal rate target of 1.5% per annum, the renewal of 186 km of water mains amounting to R1,090 million is required per year. Similarly, sewer mains require R941 million to replace 178 km per annum. This programme is designed to ensure a continued reduction of Non-Revenue Water (NRW), pipe bursts and sewer blockages throughout the CoJ, and to sustain a good level of service to CoJ's customers. Johannesburg Water will continue to replace water and sewer network infrastructure that has a remaining useful lifespan of fewer than two years. For the 5-year period (2019/20 - 2023/24), 318 km of water networks have been replaced against a target of 151 km. Sewer networks of 175 km have been replaced against a target of 79 km. Despite the achievement of the targets, the implemented length of water network averages 64 km per annum. This is equivalent to 20% of the required average of 186 km per annum, whilst the sewer networks replaced an average of 35 km per annum, resulting in 22% of 178 km required to be replaced per annum due to budgetary constraints. In the next five years, 428km of water networks and 286 km of sewer networks is planned to be replaced. The plan is based on the budgeted forecast which is determined by the mid-term budget indicatives. The forecast budget is lower than required, and impacts negatively on the renewal rate, which remains significantly lower than necessary.

Table 16 details a plan of water pipe replacement per region, city-wide, for the next five years. As intended, the water pipe replacement projects will contribute to the reduction of water pipe bursts, NRW and water services interruption.

Table 16: Water Pipe Replacement Plan

JOHANNESBURG WATER DEPOT (COJ REGION)	2025/26 LENGTH (M)	2026/27 LENGTH (M)	2027/28 LENGTH (M)	2028/29 LENGTH (M)	2029/30 LENGTH (M)	TOTAL LENGTH (M)
Region A-Midrand	18 939	12 121	12 121	15 000	18 500	76 681
Region B-Sandton	23 167	16 212	18 182	25 000	3 000	85 561
Region C-Roodepoort/Randburg	19 289	26 564	19 622	35 000	42 500	142 975
Region D-Central	8 788	4 545	3 030	25 000	32 000	73 363
Region E-Soweto	4 485	5 000	3 030	15 000	18 000	45 515
Region F-Orange Farm	10 606	12 121	23 917	15 000	18 000	79 644
Total	85 274	76 564	79 902	130 000	132 000	503 739

Table 17 outlines the detailed sewer pipe replacement plan per region, City-wide, for five years. These sewer projects will assist in reducing the high sewer blockages experienced in these areas. In order to minimise the number of sewer blockages being experienced, an increased investment is a necessity since the current renewal rate is too low.

Table 17: Sewer Pipe Replacement Plan

JOHANNESBURG WATER DEPOT (COJ REGION)	2025/26 LENGTH (M)	2026/27 LENGTH (M)	2027/28 LENGTH (M)	2028/29 LENGTH (M)	2029/30 LENGTH (M)	TOTAL LENGTH (M)
Region A-Midrand	4 050	5 000	9 000	15 000	10 000	43 050
Region B-Sandton	1 000	4 000	0	20 000	25 000	50 000
Region C-Roodepoort/Randburg	3 000	4 000	12 000	15 000	20 000	54 000
Region D-Central	700	5 000	0	5 000	10 000	20 700
Region E-Soweto	4 812	0	0	10 000	20 000	34 812
Region F-Orange Farm	4 388	3 370	4 493	5 000	10 000	27 251
Total	17 950	21 370	25 493	70 000	95 000	229 813

Bulk Water Mains Rehabilitation/Replacement

Johannesburg Water has the responsibility of maximising the working life of infrastructure to ensure sustainability and reliability, through a programmed and systematic approach to pipeline rehabilitation and renewal. Johannesburg Water has 2 312 km of bulk water mains, 845 km of which comprise of pipe diameters greater than 400 mm. A total of 103 km of bulk mains pipelines has a remaining useful life of less than five years. A 50% split of these bulk pipelines is steel, and their lifespan can be prolonged almost indefinitely through protection against corrosion (internal and external coating plus cathodic protection and mitigation). Table 18 below shows a list of a prioritised bulk pipelines rehabilitation/ renewal programme including the capital replacement costs. Provision for Phase 1 of the bulk rehabilitation/ renewal programme was made in the 2025/26 FY.

Table 18: Bulk water main Rehabilitation/ Renewal programme

NAME OF BULK SUPPLY MAIN	DIAMETER (MM)	LENGTH (M)	BUDGET R'000	TO BE LAID IN 2024/25FY	CRC R'000	REGION
Peri-urban bulk line	900	1 200	3,000,000	100	107,800	B
Crosby Bulk Infrastructure project	600/1300	4 400	110,000,000	3 000	36,000	B
Halfway House water upgrade	600/700	7 800	40,000,000	1 500		A
Linbro bulk line	400/1100	990	32,500,000	990		E
Woodmead bulk inlet	600/800	5 500	60,000,000	2 500		E
TOTAL		19 890	245,500,000	2 490		
NAME OF BULK SUPPLY MAIN			DIAMETER (MM)	LENGTH (M)	CRC R'000	REGION
Protea Glen Reservoir			600	5 000	35,000	D
Jabulani Reservoir bulk supply			900	1 270	15,600	D
Chiawelo Reservoir bulk supply			800	1 000	11,000	D
Meadowlands Reservoir bulk supply			800	1 500	16,500	D
Zondi Reservoir bulk supply			1000	2 600	39,800	D
TOTAL			21,860	122 300		

	DIAMETER (MM)	LENGTH (M)	CRC R'000	REGION
G15 bulk supply to Berea and Yeoville Reservoirs	1 225	6 200	113,500	F
Hursthill Reservoir bulk supply	700/600	2 700	23,500	B
Moffatview+ bulk main (G17)	915	3 750	46,100	F
Honeydew and Boschop Bulk supply	760/700	6 520	68,000	C
TOTAL	19 170	251 100		
	DIAMETER (MM)	LENGTH (M)	CRC R'000	REGION
Crosby Reservoir bulk supply main	1 050/ 750	3 700	36,000	B
Kibler Park Reservoir bulk supply main	450	1 250	5,740	F
Randjeslaagte Reservoir bulk supply main	750	4 700	41,000	E
TOTAL	9 650	82 740		
	DIAMETER (MM)	LENGTH (M)	CRC R'000	REGION
Linksfeld Ridge reservoir bulk supply main	600	2 700	19,000	E
Diepkloof Reservoir bulk supply main	700	1 600	14,000	D
Grobler Park Reservoir bulk supply main	450	2 500	9,400	C
TOTAL	6 800	42 400		

The list of bulk mains above was compiled considering the strategic importance and risk posed by the pipeline, such as having no alternative supply line or redundancy; operational considerations such as history of repairs and reported condition; and the extent of the area that would be affected through disruption of services should the pipeline fall, as well as potential water loss.

Bulk water mains are the backbone of the water reticulation system; their failure causes significant disruption and water loss. These projects are typically complex by nature, with long lead times, which necessitates careful planning and design.

Phase 1 is underway, with conditional assessment, the outcome of which will be used to inform preliminary design and construction. It is expected that these projects will run for the three-year Medium-Term Revenue and Expenditure Framework period. Phases 2 and 3 will involve planning and assessment to set priorities for future rollouts.

Upgrades and Storage Infrastructure

The Reservoir Storage Upgrade Programme needs to ensure the provision of a 24-hour storage capacity in all of Johannesburg Water's reservoirs. The storage capacity is required to mitigate against service disruption should network bursts occur or should there be a supply disruption from the bulk supplier (Rand Water), as well as to maintain adequate supply pressure in the reticulation system.

In 2025/26, Johannesburg Water will continue to roll out the reservoir storage upgrades. These projects will position the CoJ to be the preferred investment destination, based on its ability to offer business opportunities through infrastructure. Infrastructure upgrade projects will ensure continuous development of key municipal developmental nodes within the CoJ. Table 19 provides detailed descriptions of the reservoirs scheduled for construction, and their projected outputs which will yield a total of 178.7 ML.

The implementation of water storage infrastructure is affected mainly by prolonged delays with respect to land acquisition which includes procurement, transfer and registration of servitudes. The land owned by the CoJ takes less time to acquire, however, the delays are due to rezoning and/or subdivision of the required land. Private land acquisition leads to further delays emanating from engagements relating to the valuation of land, purchase process including transfer, rezoning and subdivision, and even more when the expropriation process is considered.

Table 19: Storage capacity projects and output

PROJECT	STORAGE CAPACITY (ML)	PROPOSED BUDGET 2025/26 (R' 000)	OUTPUT	COJ REGION
Erand Tower 0.75	0.75	30,000	Storage capacity 750 HH equivalent	A
Blue Hills Tower 1.8 MI	1.8	1,000	Storage capacity for 1 800 HH equivalent	A
Robertville Tower 2.25MI	2.25	1,000	Storage capacity for 2250 HH equivalent	C
Woodmead Reservoir 20MI	20	86,500	Storage capacity for 20 000 HH equivalent	E
Halfway House Reservoir 20MI	20	10,000	Storage capacity for 20 000 HH equivalent	A
President Park Reservoir 80 MI	80	1,500	Storage capacity for 80 000 HH equivalent	A
Linbro Park Tower 3.9 MI	3.9	34,239	Storage capacity 3,900 HH equivalent	E
Bryanston Tower 1.5 MI	1.5	750	Storage capacity 1 500 HH equivalent	B
Carswald Reservoir 20 MI	20	40,000	Storage capacity 20 000 HH equivalent	A
Turffontein Redevelopment Corridor: Forest Hill Tower	2.5	6,000	Storage capacity 2 500 HH equivalent	D
Brixton Reservoir 2 26ML	26	2,000	Storage capacity 26 000 HH equivalent	D
Total	178.7	212,989	Additional 178 700 h/h equivalent	

All land acquisitions for the listed reservoirs and towers have been completed, except for Blue Hills Tower and Halfway House reservoir. It was anticipated that land negotiations for the two will be completed and eventual acquisition in 2024/25.

Leaking Reservoirs Operations

Johannesburg Water has 129 reservoirs and towers, of which 42 reservoirs were assessed and found to be leaking through the structural walls or pipework. Over the years, some of those reservoirs have deteriorated to such an extent that they require immediate repairs. There is currently no data to quantify the amount of water that is lost since not all bulk meters are operational, however during assessment, it was evident that a huge quantity of water is being lost on these reservoirs.

The cost of refurbishment is estimated to be R1.25 billion and thus it is not financially feasible to repair all reservoirs in one Financial Year.

Repairs will therefore be executed in a phased approach over three years and implementation will be prioritised according to the level of criticality as indicated in the table 20. The phase 1 repairs which entail the installation of the by-pass pipeline on the Jabulani reservoir have been completed in the 2023/24 FY and will be followed by Phase 2, which will focus on the repairs of the reservoir. For the rest of the reservoirs, the investigation and designs are in progress with refurbishment scheduled to commence in the 2024/25 FY.

Table 20: Leaking Reservoir repair programme

RESERVOIR/ TOWER	CAPACITY (ML)	INTERVENTION	REPAIR COST ESTIMATE (R 000)
Phase 1: 2025/26			
Jabulani reservoir	46	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves, Reinstatement of palisade fence and surfaces.	26,556
Aeroton reservoir	45	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	28,000
Meadowlands	25 & 23.7	Internal Repair and Lining of round & rectangular Reservoirs and Associated Pipelines and Valves	99,839
Power Park	64	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	111,142
Crown Gardens		Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	11,816
Hurst Hill reservoir 2	22.5	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	29,362
Modderhill reservoir	16	Internal Repair and Lining of 16 ML Reservoir and Associated Pipelines and Valves	53,827
Dunkeld reservoir	13.7	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	32,500
Yeoville reservoir-3	45.46	Internal Repair and Lining of 45.46 ML Reservoir and Associated Pipelines, Valves	78,871
Erand reservoir and tower	36	Internal Repair and Lining of 35ML Reservoir, 1.0 ML Tower and Associated Pipelines, Pump Station and Valves	51,223
Alexander Park	45	Internal Repair and Lining of 45ML Reservoir and Associated Pipelines and Valves	64,029
Marlboro reservoir	39	Internal Repair and Lining of 39ML Reservoir and Associated Pipelines and Valves	55,492
Helderkrui Reservoir and Tower	24 / 1.6	Internal Repair and Lining of 24ML Reservoir, 1.6 ML Tower and Associated Pipelines, Pump Station and Valves	9,900
Lenasia Cosmo	50	Internal Repair and Lining of 50ML Reservoir and Associated Pipelines and Valves	71,143
Ennerdale reservoir 2	22.8	Internal Repair and Lining of 22.8ML Reservoir and Associated Pipelines and Valves	28,806
Linden-1 reservoir	24 / 0.5	Internal Repair and Lining of 24ML Reservoir, 0.5 ML Tower and Associated Pipelines, Pump Station, and Valves	6,050
Total			758,556

RESERVOIR/ TOWER	CAPACITY (ML)	INTERVENTION	REPAIR COST ESTIMATE (R 000)
Phase 2: 2026/27			
Yeoville reservoirs (2) and tower	62/1.0	Internal Repair and Lining of 62ML Reservoir X 2, 1.0 ML Tower and Associated Pipelines, and Valves	89,640
President Park reservoir and tower	32.5 / 0.6	Internal Repair and Lining of 20ML Reservoir and Associated Pipelines and Valves	47,097
Blaigowrie reservoir	7	Internal Repair and Lining of 7ML Reservoir and Associated Pipelines and Valves	5,400
Constantia tower	1.3	Rehabilitate leaking water tower.	7,400
President Park-2	32.5	Seal leaking reservoir.	46,243
Berea reservoir	20	Internal Repair and Lining of 20ML Reservoir and Associated Pipelines and Valves	28,457
Zondi reservoir	30	Replace leaking bypass, cannot bypass to clean reservoir.	42,686
Naturena reservoir	6.5	Replace leaking bypass, cannot bypass to clean reservoir.	9,249
Chiawelo reservoir	30	Replace leaking bypass, cannot bypass to clean reservoir.	42,686
Corriemoor reservoir	18.9	Seal floor joints.	26,892
Northcliff reservoir and tower	45.6 / 1.1	Rehabilitate leaking water reservoir and tower.	66,448
Witpoortjie reservoir and tower	20 / 1.6	Rehabilitate leaking water reservoir and tower.	30,733
2 x Olivedale reservoirs	16.6	Rehabilitate leaking water reservoirs.	23,619
Eagles nest reservoir	20	Rehabilitate leaking water reservoirs.	28,457
Quellerina tower	0.1	Rehabilitate leaking water tower.	1,000
Corporate Park	7.5 / 0.5	Rehabilitate leaking water reservoir and tower.	11,382
Total			188,531
Phase 3: 2027/28			
Honeydew reservoir and tower	15 / 0.45	Rehabilitate leaking water reservoir and tower.	21,983
Kensington B reservoir and tower	10 / 1.1	Rehabilitate leaking water reservoir and tower.	15,794
Fairlands reservoir	6.3	Seal leaking reservoir and replace leaking bypass.	8,964
Glenvista	20	Reseal joints.	28,457
Brixton reservoir and tower	27.7 / 1.1	Rehabilitate leaking water reservoir and tower.	40,978
Illovo reservoirs (8) and tower	48.8 / 1.1	Rehabilitate leaking water reservoir and tower.	71,000
Total			187,176

Repairs and Maintenance (Water and Sewer Networks)

The ratio of operating budget to the carrying value of Property, Plant and Equipment (PPE) for repairs and maintenance is currently at an annualised percentage of 10.24% (this includes labour, as required by the Accounting Standards Board). This is just above the recommended 10% in alignment with the CoJ's priorities and above the 8% norm of National Treasury.

It must be highlighted that the current expenditure on repairs and maintenance is mainly on a reactive basis, which is not ideal (1% is preventative). From 2018/19, the objective was to create a balance between reactive and preventative maintenance, and to move to a 50/50 split of the targeted 10%. This will be possible if Johannesburg Water increases the current rate of capital expenditure on the replacement and refurbishment of its existing infrastructure.

The plan is to increase the rate of preventative maintenance on all electromechanical equipment (Bulk Wastewater included), large diameter valves (>300 mm in diameter), hydrants and sewer network infrastructure. Preventative cleaning of the sewer network will move from 1 500 km per year to 2 500 km per year. The adjustment towards preventative instead of reactive maintenance will be achieved with Johannesburg Water's existing human resources. This is possible, when a renewal rate of 2% is spent on the replacement or refurbishment of the existing infrastructure. The implications are that fewer failures need to be attended to and that resources usually deployed for reactive work can be utilised for preventative work. Increased preventative maintenance will ensure reduced infrastructure failures and improved service standards in line with the CoJ's priorities.

The Entity will continue to implement actions to improve the productivity of its network teams to ensure that water teams complete at least six water-related jobs, per team per day, and sewer teams complete five sewer blockages per team per day. Actions to be implemented include team sizing to ensure teams are properly sized for the activity they need to carry out, as well as ensuring that the various depots have the correct number of teams in accordance with their infrastructure size to be maintained. Furthermore, Johannesburg Water appointed Productivity SA to assist with training at a supervisory level specifically aimed at improving productivity. Lastly, the implementation of the Field Services Management would assist network teams to better plan, prioritise and communicate work daily. This will ensure improved service delivery and quicker response times.

Furthermore, during the process of repairing the water and sewer infrastructure, Johannesburg Water is required to expose the infrastructure for certain periods to enable the teams to perform suitable and safe repairs. Once the repair work is finalised, it is Johannesburg Water's responsibility to do the appropriate backfilling and ensuring that the area is reinstated accordingly. This could be either pavement re-instatement, kerb repairs or road repairs that include layer work, and finally blacktop. The Company has entered into a Service Level Agreement with Johannesburg Road Agency to conduct reinstatements on the backlog. Additionally, Johannesburg Water is in the process to procure a framework contract after the previous contract expired, these contracts will assist with the re-instatement work due to excavations by Johannesburg Water operations. During the 2023/24 FY, efforts were made to eradicate the backlog, notwithstanding some challenges which include delays in wayleave issuing from Johannesburg Road Agency. In the 2025/26 FY, efforts will continue to ensure that no further backlog is created in reinstatements and that all reinstatements will be done within a five-day period.

Transit Oriented Development (TOD)

To re-energise its economy, the CoJ has identified economic developmental nodes, namely the Inner City, Randburg, and Roodepoort (Mining Belt). In support of the political-strategic direction for a business-friendly city where jobs are created and there is an investment in the local economy, the Entity has planned to implement various projects that seek to support economic activities within the identified nodes. The corridors of freedom would require the upgrade of existing and provision of new water and sanitation infrastructure for additional capacity to support higher density settlements.

The focus in 2025/26 entails:

- Upgrading the Hector Norris pump station to improve the efficiency and provision of a standby capacity, and to manage the risk of the CBD running out of water supply in the event of pump failure. The project commenced in the 2023/24 FY and is planned for completion in May 2025/26 FY.
- Perth Empire water upgrades which focused on upgrades within the Brixton/Hursthill water supply zone, including the construction of a new Crosby pump station.
- The Brixton supply zone is supplied from the existing 22.7 Ml Reservoir and the 2 Ml Brixton

The infrastructure was constructed in 1 917 and has exceeded its useful life. Due to the planned densification resulting from the growing student commune population, the Brixton/Hursthill area is experiencing water shortages. These are affecting critical institutions like the Helen Joseph and Rahima Moosa hospitals and thus additional water capacity is required. The supply system will be efficient upon completion of the multi-year programme which necessitates:

- Construction of the two new 26 MI Brixton Reservoirs, 2MI Tower and a pump station able to deliver at least 200l/s at 35m head. Construction has commenced and will be completed in the 2025/26 FY.
- The new Crosby Pump station is at procurement stage, and it is planned to go into construction in 2024/25 FY The pump station will deliver at least 400l/s to improve supply to the existing Hursthill Reservoirs I and 2.
- Construction of 1000 m Pipeline from Rand Water connection and installation of approximately 7 110m of water mains of various diameters ranging from 110 to 800mm. The project is at procurement stage, and it is planned to go into construction in the 2024/25 FY.

In support of the economic developmental node's areas and corridors of freedom, identified capital projects reflected in Table 21 are geared to support the expected population and economic activities within the nodes.

Table 21: Corridors of Freedom

NODE	PROJECTS NAMES	2025/26 BUDGET (R' 000)	2026/27 BUDGET (R' 000)	2027/28 BUDGET (R' 000)	OUTPUT
Louis Botha	Water Upgrade (1.4 km) and 37 MI Reservoir (Linksfild)	0	5,000	10,000	Support densification initiatives on economic development areas or zones
	Sewer Upgrade (5.4 km)	0	0	0	Create jobs
Empire Perth	Water Upgrade (7.2 km) and 26 MI reservoir (Hursthill) and 2 MI Tower Brixton	100,000	50,000	45,000	Support densification initiatives on economic development areas or zones
	Sewer Upgrade (3.5 km)	0	0	0	SMME's Support
Turffontein	Water Upgrade (2.2 km) and 2.5MI Water Tower (Forest Hill)	6,000	28,195	20,000	Support densification initiatives on economic development areas or zones
	Sewer Upgrade (5.1 km)	0	0	0	Promote private investment
Total		106,000	83,195	75,000	

STRATEGIC GOAL 2	DELIVER WATER AND SANITATION SERVICES OF GOOD QUALITY THAT IS ACCESSIBLE, RELIABLE AND EFFICIENT
Strategic objective	• Provide additional households with services at a minimum Level of Service 1 (LoS1) for water and sanitation basic services, where there is inadequate provision of water and to improve the quality, reliability and efficiency of the provision of these services. • Rollout infrastructure security plan to protect the water and sewer infrastructure.
TAS24 Strategic Shift	Ramp up investment in both asset renewal and expansion.
GDS Outcome	• Improved quality of life and development-driven resilience for all. • Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.
GDS Outputs	• A society characterised by healthy living for all. • Safe and secure city. • Sustainable and integrated delivery of water. • Sustainable and integrated delivery of sanitation. • Sustainable human settlements. • Climate change resilience and environmental protection.
Mayoral Priorities	• Sustainable Service Delivery. • A safer City.
Johannesburg Water Programmes	• Infrastructure upgrade. • Repair and maintenance of networks. • Water quality. • Prevention of infrastructure theft and vandalism.

The purpose of this goal is to roll out additional minimum LoS 1 basic water and sanitation services and to improve the reliability of the provision of these services. It also outlines the rollout of the infrastructure security plan to protect the water and sewer infrastructure. The land invasion which the Company has no control of, remains a risk for the basic services programme. The intervention is required at CoJ level.

Access to Clean Drinking Water for all CoJ Residents

It is estimated that 800 households will be provided with at least a minimum of service level 1 basic water services in the 2025/26 FY. The general authorisation was received for both Slovo Park and Zandspruit. It is anticipated that the Environmental authorisation for Zandspruit will be received in July 2025.

The informal settlements being investigated for water implementation are as follows:

NO.	INFORMAL SETTLEMENT	REGION	MINIMUM LEVEL OF SERVICE	ESTIMATED NUMBER OF HOUSEHOLDS
1	Slovo Park	G	LoS2	300
2	Zandspruit	C	LoS1	500
Total				800

Access to Sanitation for all CoJ Residents

It is estimated that 2300 households will be provided with at least a minimum of service level 1 basic sanitation services in the 2025/26 FY. Farm Roodeport does not trigger, while general authorisation for Slovo Park has been received. The General authorisation for Princess Plot is expected end of June 2025. Detailed Designs for all the 3 projects were completed.

The informal settlements being investigated for sanitation implementation are as follows:

NO.	INFORMAL SETTLEMENT	REGION	MINIMUM LEVEL OF SERVICE	ESTIMATED NUMBER OF HOUSEHOLDS
1	Slovo Park	G	LoS2	300
2	Farm Roodeport	G	LoS 1	500
3	Princess Plot	C	LoS1	1 500
Total				2 300

It should be noted that due to various potential social, political, and administrative challenges that have been experienced in the past, the planned targets may vary, and settlements may be replaced with others that are ready for implementation. In addition, the targeted households are an estimate that will be confirmed at completion of project implementation. It is also assumed that adequate operational budget will be made available to achieve the annual target.

Nominal Water and Sanitation Services

Nominal (water and sanitation) services provided to informal settlements continued to increase by a further 6.5% within the last 12 months. This is over and above the 10% increase in the previous 12 months. It is envisaged that this number will increase further. Nominal water services are provided through stationary water tanks, filled daily via mobile water tanks.

Nominal sanitation services are provided through chemical toilets, that are serviced two times a week. Johannesburg Water is aiming to provide chemical toilets at a ratio of one toilet to seven households, including water tanks at a distance as determined on site and as per the density of the settlement. Johannesburg Water provides these services via service providers appointed through framework contracts.

Upgraded Informal Settlements, with Basic Services

The programme is aimed at improving service delivery through the upgrading of the level of service from nominal service to at least a minimum of LoS 1 and above in line with Upgrade of Informal Settlement programme. The programme also provides an opportunity for job creation during project implementation.

The criteria for the selection of informal settlements benefitting from the basic services programme entail the following:

Alignment with the UISP, driven by the CoJ's Department of Human Settlement (COJDHS), where informal settlements are categorised for the interim and emergency provision of water and sanitation services. The interim services will be driven by the requirements of UISP programme on social compact and will align to the CoJ Water by-laws' level of services one to three depending on the implementation plan status per settlement, while the emergency service equates to nominal services such as water tankers or chemical toilets.

- Other factors considered include the feasibility of the provision of related infrastructure where, in many instances, there are limitations due to improper settlement layout, densification or congestion of households within the settlement, land tenure (especially privately owned land with no permission to occupy) and other geotechnical factors like high water level and poor soil conditions.
- The readiness of the upgrading plans from COJDHS for the various recognised informal settlements and funding availability determines the number of settlements and the number of households to be provided with access to basic services in each FY.
- There is a huge backlog on provision of sanitation services in recognised informal settlements, however most of this informal settlement cannot be provided with basic services due to either relocation plans in place from COJDHS, or they are settled on private property or on undevelopable environmentally sensitive areas.
- Regarding the new informal settlements not yet recognised in various regions across the City, COJDHS indicated that the investigations of each informal settlement to determine each upgrading plan will be finalised in June 2025. Currently, Johannesburg Water is providing nominal services in the form of water tankers and chemical toilets. The provision of basic interim services can only be done once COJDHS has determined its upgrading plans.

Prevention of Infrastructure Theft and Vandalism

The entity will implement effective physical and electronic protection systems in hotspot areas (high theft and vandalism) through crime deterrence, detection, delay and improved rapid response in collaboration with JMPD. This will assist with crime deterrence through security measures such as lighting and Closed-Circuit Television (CCTV real and dummies) where possible in order to deter criminals from vandalising or stealing water equipment/ infrastructure. Crime deterrence will also be done through public awareness to develop a sense of infrastructure ownership by communities to deter theft and vandalism.

Johannesburg Water will also commence with a project to roll out smart manhole covers at strategic sewer infrastructure to assist in reducing the theft of manhole infrastructure which poses a risk to community members staying in proximity in especially sewer outfall infrastructure. Smart manhole infrastructure contains sensors which is monitored 24/7 and once the manhole is disturbed or moved Johannesburg Water will be able to respond to the site almost immediately. This will allow the company to either prevent the infrastructure from being stolen or replace stolen covers immediately.



By-Law Enforcement Strategy to Deal with Theft and Loss of Assets

The entity would conduct regular inspections/stand-by-stand audits to identify consumers who are not customers. This process needs by-law enforcement, which will be done in collaboration with the Johannesburg Metropolitan Police department (JMPD).

Level 3 disconnections and reconnections will be implemented as and when illegal connections are identified. This initiative will assist in terms of expediting the revenue recovery project.

Loadshedding

Johannesburg Water is in the process to procure a contract for the supply of mobile generators to enable the company to address the effects of power supply disruptions, especially at the water and sewer pump stations, the previous contract expired recently in the 2023/24 FY. Additionally, as part of the retrofitting of pump station projects, permanent generators are installed.

Lastly, certain critical installations like Crosby and Brixton reservoirs and Northern and Driefontein WWTW were exempted from load shedding by City Power and Eskom. Although these interventions brought some relief, load shedding at the southern WWTW is still problematic. Collaborative efforts between Johannesburg Water and City Power regarding exemption of three (3) Southern Plants (Bushkoppies, Goudkoppies and Olifantsvlei Works) from loadshedding effective 21 March 2024 marked an important milestone towards improving operational efficiencies. Benefits of securing sustainable power supply had an immediate impact on operational efficiencies which resulted in the reduction of spillages in both Bushkoppie and Goudkoppies Works. On 30 August 2023, Johannesburg Water entered an SLA with City Power to provide all Johannesburg Water facilities with alternative energy in the form of solar photovoltaics system.

STRATEGIC GOAL 3	OPERATE IN A MANNER THAT PROMOTES ENVIRONMENTAL CONSERVATION AND SUSTAINABILITY
Strategic objective	Minimise and prevent environmental pollution.
TAS24 Strategic Shift	Ramp up investment in both asset renewal and expansion.
GDS Outcome	Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.
GDS Outputs	• Sustainable and integrated delivery of water. • Sustainable and integrated delivery of sanitation. • Sustainable human settlements. • Climate change resilience and environmental protection.
Mayoral Priorities	Infrastructure development and refurbishment.
Johannesburg Water Programmes	• WWTW programme. • Water demand management systems. • Water quality assurance. • Environmental compliance.

The purpose of this goal is to minimise and prevent environmental pollution with focus on prevention of spills at WWTW and harnessing methane gas for conversion into energy.

Wastewater Treatment Works Programme

Johannesburg Water plan to roll out a series of high-level projects and interventions that seek to increase the current infrastructure capacity to support the CoJ's economic development needs. Lanseria (50 ML) WWTW is one of the major capital projects intended to be implemented. The project is expected to be implemented over eight years and has been included in the three-year capital plan. Upon completion, this project will provide additional capacity to at least an equivalent of 50 000 households. It will also reduce the current pressure on the Northern WWTW, whilst unlocking economic development, resulting in job creation and poverty alleviation within the CoJ.

This project will further positively contribute to protecting the environment and mitigating climate change and therefore, with less pressure on Northern WWTW, spills into the environment will be reduced. Sewage treatment at the new Lanseria works will also be done in a more energy efficient manner with newer technologies for pumps, motors and gearboxes being implemented. It will further positively impact the environment in that several network pump stations will be decommissioned because the sewer will then flow by gravity to the new works instead of being pumped to Northern WWTW. The detailed design, including all reports and drawings for the new works, has been completed.

The water use licence has been granted, however, the environmental authorisation was granted with off-set conditions. The Entity is engaging the Gauteng Department of Agriculture and Rural Development for approval. The procurement process to appoint contractors for the commencement of construction activities will only commence after the approval of the offset conditions. Johannesburg Water will continue to roll out bulk wastewater infrastructure projects, which include upgrades, renewals and expansion in the six WWTW. The Northern WWTW Unit 5 Module 2 project is at the construction stage and is envisaged to be completed by 2025/26 FY.

Upon completion, the project will provide the CoJ with an additional 50 ML/day sewage treatment capacity. As a result of the additional capacity, the CoJ will be in an advantageous position for unlocking development as an additional 50 000 household equivalent can be connected to the works. Through this process, more jobs will be created within the CoJ and SMMEs will be supported through subcontracting during the implementation of the project.

The renewal of bulk wastewater electromechanical infrastructure through the implementation of the Infrastructure Renewal Plans are key projects that are intended to maintain the current treatment capacity and improve plant availability through enhanced improvements to electrical and mechanical efficiencies, thus improving effluent compliance. These projects are at varying stages at Northern, Olivantsvlei, Bushkoppies, Driefontein and Goudkoppies WWTWs with some in the procurement phase. Table 22 reflects the 2025/26 projects and anticipated upgrading and renewal budget for subsequent years.

Lanseria has been identified as a key economic zone in the north-western catchment of the CoJ. Urban development (Lanseria Smart City) is currently being stifled due to the lack of bulk infrastructure. Sewage generated in the catchment is being pumped to the Northern WWTW, which is proving to be problematic due to lack of capacity to accommodate new Lanseria Smart City developments. The implementation of the Lanseria WWTW will open and activate economic development in this region. A new Bulk Outfall Sewer will also need to be constructed so that sewage generated in the Lanseria Basin can be transported, by gravity, to the new WWTW.

A pre-feasibility study conducted in 2009 and concluded in 2013 identified a “green fields” site located adjacent to Northern Farm in Lanseria as feasible for the construction of three 50 Ml/d modules of an activated sludge WWTW. The implementation of the three modules will be phased in several years.

The project is estimated to cost about R2.8 billion, covering the construction of both WWTW and the bulk sewer outfall. The planning of the first phase of the project is in progress with a Water Use license issued and the environmental authorisation granted with off-set conditions.

Table 22: Wastewater treatment Programme

PROJECT	ADDITIONAL CAPACITY	2025/26 BUDGET (R' 000)	2026/27 BUDGET (R' 000)	2027/28 BUDGET (R' 000)	OUTPUT
Olifantvlei Refurbishment Works	Operational efficiency Improvement	32,000	60,000	90,000	Operational efficiency Improvement and Job Creation.
Bushkoppies Primary Refurbishment	Operational efficiency Improvement	37,146	78,921	95,000	SMME's support
Ennerdale	30 MI Upgrade	10,000	50,000	50,000	Additional 38 000 h/h equivalent
Goudkoppies Refurbishment	Operational efficiency Improvement	5,000	50,000	50,000	Environmental protection, Operational efficiency Improvement and Job Creation
Northern Works Expansion and Refurbishment (Unit 5 Module 2) – 50 MI/d	50 MI/d	106,000	181,000	180,340	Additional 50 000 h/h equivalent Attract Investment, Create Jobs and Support SMME's
Driefontein Refurbishment Works	Operational efficiency Improvement	17,000	22,000	30,000	Operational efficiency Improvement , Job Creation, SMME's support and Environmental protection
Lanseria WWTW (50 MI/d)	50 MI/d	7,000	15,000	50,000	Additional 50 000 h/h equivalent Attract Investment, Create Jobs and Support SMME's
WWTW Replacement General	General upgrade/ refurbishment	0	13,800	40,000	Operational efficiency Improvement , Job Creation, SMME's support and Environmental protection
Total	130 MI/d	214,146	470,721	585,340	138 000 h/h

The outcomes of the wastewater infrastructure renewal and replacement are to reduce sewer blockages, improve response time and reduce sewer spills at WWTW, as well as and improve effluent or sludge quality. Tables 23-24 indicate the critical projects linked to the Northern WWTW as well as the sludge plan for the other works that need to be implemented to improve on effluent compliance, limiting spills and improve sludge treatment. Traditionally, CoJ only approves a 3-year MTREF as a result even the capital planning in terms of budget submission is limited to 3 years. It should be noted that, though the infrastructure plans have a 40-year horizon, the capital budget is limited to 3-year capital plan.



Table 23: Northern Wastewater Treatment Works – Critical Projects

NO.	PROJECT NAME	PROJECT OBJECTIVES	EST. PROJECT COST (R '000)	STAGE
1.	BWW1506: Infrastructure Renewal Plan	Renewal of electromechanical (Pump Stations-Phase 2) and Electrical infrastructure upgrade (Phase 1).	203,000	Project at Practical Completion- 98%
2.	BWW1402: Unit 4 Liquor Plant	Design and construction of liquor plant that will treat all the filtrates created during the sludge dewatering process to improve effluent quality for compliance.	82,000	Construction in Progress- 94%
3.	BWW1403: Belt Presses #10	Design and installation of four new belt presses and associated infrastructure.	250,000	Tender Awaiting Advertisement Tender Document under review as SCM template has changed.
4.	BWW1501: De-sludge and line Dam 02	Removal and disposal of sludge and the lining of Dam 02 with an impermeable layer to prevent ground water pollution as stated in the Northern Works Licence Terms 03/A21C/ EFG/2804.	182,000	New WULA Application – Awaiting Feedback from DWS
5.	BWW1407/1500: Unit 5 Module 2	Design and construction of a 50 MI/day expansion of Unit 5 and upgrade of the Head of Works.	1. 632,000	1. Construction in Progress- 64%
			2. 350,000	2. Electromechanical including HOW tender at BSC.
6.	BWW1507: Digester New (including Preconditioning)	Design and construction of new digesters including pre-thickening and pre- conditioning.	1,000,000	Project at PDR Awaiting Budget Allocation
7.	BWW1508: Unit 4: Replacement of Electromechanical	Refurbishment of Unit 4 Modules 1 to 4 electro- mechanical infrastructure to improve wastewater treatment capacity.	259,000	Project On Hold at Documentation Pending Budget Availability
TOTAL			2,958,000	

Table 24: Critical and sludge plan projects

PROJECT PLAN	DESCRIPTION	PROJECT STAGE	ESTIMATED COST (R'000)
Northern Works: Belt Press.	This project is for the design and installation of four new belt presses and associated infrastructure.	Procurement stage, to commence with works 2024/25 FY.	115,000
Northern Works: Digesters.	The project is for the design and construction of new digesters including pre-thickening and pre-conditioning and other associated infrastructure as outline in the 2015 report title Northern WWTW Digestion Capacity Investigation.	Inception stage – project delayed due to budgetary constraints.	1,000,000
Northern Works: Unit 4 Liquor Plant.	The scope for this project is for the design and construction of Liquor plant that will treat all the liquors created from the belt presses.	Project in construction.	82,000
Olifantsvlei: Belt Press #1.	This project is for the design and installation of a new belt presses and associated infrastructure.	Detail Design - Awaiting Budget Allocation.	25,000
DF: Sludge Pre- thickening and Pre-conditioning.	The scope for this project is the design and construction of pre-thickening and pre-conditioning for sludge handling at Driefontein.	Identification - Awaiting Budget Allocation.	100,000
Goudkoppies: Infrastructure Renewal Plan.	Phase 2b: Digester Heating and Mixing, Gasholder replacement.	Detail Design and Tender – Construction to commence in 2025/26 FY.	120,000
Grand Total			1,442,000

It should be noted that some critical and sludge plan projects have commenced and are included in the 2024/25 MTREF programme.

Green Drop Performance Audit

Johannesburg Water participated in the most recent Green Drop audit for the 2023/24 financial year, conducted in March 2025. However, the last published Green Drop results were from the 2020/21 financial year, during which the entity achieved an average overall score of 73%, falling short of the 90% target. The previous report highlighted several challenges, including the development of a Wastewater Risk Abatement Plan that was not aligned with Water Research Commission guidelines and did not incorporate findings from a process audit. Additional issues included deficiencies in sludge management and monitoring, which required staff upskilling; a budget that was not informed by the condition of various wastewater works; and non-compliance with effluent quality standards, which fell below 90%. An action plan was developed to address these challenges and improve performance in preparation for the latest assessment. The results of the 2023/24 Green Drop audit are expected to be published in September 2025, with the 2021/22 results remaining officially valid until then.

Implementation of Water Management Systems to Reduce Water Leaks

Water demand is projected to outweigh supply by 2030; thus, it is important for Johannesburg Water to ensure that it reduces its future demand. Even though water demand has reduced over the past few years, from 309 litres per capita per day (l/c/d) to 267 l/c/d, efforts need to be intensified to progressively reduce it to the norm of 175 l/c/d, as stipulated in the National Water and Sanitation Master Plan. In support of this reduction, Johannesburg Water has reviewed its current WC/WDM Strategy which came to an end in June 2021 and will continue to implement its new five-year WC/WDM Strategy which commenced in the 2022/23 FY.

Furthermore, funding for WC/WDM projects is a challenge for Johannesburg Water in that there is insufficient funding available to implement the strategy within the planned period of five years. Johannesburg Water is therefore considering performance-based contracts to enable the fast tracking of WC/WDM plans. The preferred contractor or service provider will then assist with the provision of the required funding and will also be responsible for the maintenance of the demand reduction in specific interventions. In return, the preferred contractor or service provider will get a portion of the financial savings achieved through the demand reduction efforts. The plan comprises of the following initiatives:

Bulk Metering

Currently only 68% of zonal bulk meters are operational and that makes their use for the reduction of water demand partially un-attainable. Johannesburg Water procured service providers to assist with the repair and maintenance of bulk management meters, as well as the supply and delivery of spare parts for these meters in the 2023/24 FY after the procurement process of the 2022/23 ended in a cancellation. Johannesburg water managed to procure both contracts in the 2024/25 FY. This initiative will focus on getting all internal bulk meters 100% operational in the 2025/26 FY so that these zones can be reduced to adequate sizes, which will assist considerably in leak detection. The installation of check meters downstream of Rand Water's meters will also assist in monitoring the accuracy of the bulk water supply from Rand Water. By 2025/26 FY, the aim is to have all management meters operational and to check all installed meters where there are no management meters closer to the big Rand Water bulk meters, which supply 90% of the water into the CoJ.

Active Leak Detection and Minimum Night Flow Analysis

Active and passive leak detection has the potential to reduce water demand by huge quantities., table 25 below indicate the achievement in the 2023/24 FY.

Table 25: 2023/24 Active leak detection and minimum night flow

ACTIVITY	JHB CENTRAL	SOWETO	DEEP SOUTH	RANDBURG	SANDTON	MIDRAND	TOTAL
Burst pipe	531	553	554	254	421	187	2 620
Leaking Meter	906	2615	388	1536	648	802	7 212
Leaking Valve	205	43	5	53	125	30	476
Leaking Hydrant	43	38	2	58	67	71	283
Mains surveyed (km)	2 506,7	3 348,7	1 072,1	1 632,5	2 103,9	1 913,6	10 663,9

This intervention provided an estimated water demand reduction of 14 355 757 kl per annum. Minimum Night Flows (MNF) will be monitored to identify areas with high night flows. This information will be used to plan active leak detection in these zones with high night flows which aim to cover over 10 000km of reticulation mains in the 2025/26 FY. Johannesburg Water has procured services for supply, delivery, installation and servicing of automated leak detection devices. Inefficient District Metered Areas (DMA) have been prioritised and the deployment of these devices is planned as indicated in Table 26.

Table 26: 2023/24 Active leak detection and minimum night flow

FINANCIAL YEAR	DEPLOY AND INSTALLATION OF ADVANCED LEAK DETECTION DEVICES IN THE PRE-DETERMINED DMA'S
2023/24	80
2024/25	100
2025/26	43
Total	223

This initiative will include identifying and acquiring as-built drawings for the discrete zones and information Mapping, getting historical data on System input volume and quantifying the volume of losses by measurements from the discrete zones. Data analysis, reporting and Impact Assessment.

Advance Pressure Management

Minimum night flows reduction through advanced pressure management systems has been identified to have a potential savings of 5 918 000 kl per annum. In the 2025/26 FY, Johannesburg water plans to refurbish 22 Smart Controlled Pressure Reducing Valves (PRVs) with an associated 40 online platform loggers. In order to succeed in the management of demand in these PRV zones, the company has procured a contract for the supply, delivery, installation and servicing of advanced pressure management devices. The deployment of Fifteen of the controller & logger installations have been installed and they are sending live data to Zednet. Johannesburg Water plans to install a further Water whilst a further 40 is planned to be deployed for the 2025/26 FY.

Supply zones with high minimum night flow has been prioritised for advanced pressure management, which encompass time and flow based PRV (GSM) smart controllers. These devices would require constant monitoring and maintenance to maintain the integrity of the discrete zones, maintaining system pressure and achieving best water savings outcomes. Minimum Night Flows reduction through advanced pressure management systems has been identified to have a potential savings of 5 918 MI per annum.

Retrofitting and Removal of Wasteful Devices

The Soweto Infrastructure Upgrade and Rehabilitation Project (SIURP) is also approaching completion with portions of Pimville, Dlamini and Mofolo North as the only suburbs still outstanding. The project implementation in other deemed areas, like Orange Farm and Alexander, is underway, with completion of the project planned for 2024/25 FY. The initial phases of the implementation of the SIURP achieved savings of approximately 40 000 MI. The intervention is effective in reducing demand, hence other areas outside Soweto. considered for implementation. The following are areas of Ivory Park, Eldorado Park, Westbury and Noordgesig, which have been targeted for the roll out of the same intervention post completion

of Orange farm. It is anticipated that a total saving of 30 446 MI/annum will be realised from the areas mentioned above.

Orange Farm

The project commenced in the 2019/20 FY with discretisation works, while retrofitting and meter installation works commenced in the 2020/21 FY. The project is planned to be fully completed by June 2025 at a total cost of R434 million. R302 million of the cost has been committed to appointed contractors, whilst the balance is for the supply of customer meters. The project has a potential water savings of 8 865 MI per annum.

Alexandra

Construction has commenced in 2020/21 FY, and upgrading of secondary mains is in progress. The scope entails replacement and upgrade of secondary mains, creation of water zones, and retrofitting of leaks and metering. The phase 1 (secondary mains replacements) is planned for completion at the end of April 2024, followed by phase 2 (Skeem and Bhekilanga bypass). Phases 3 (meter installations) and Phase 4 (Bulk pipeline replacement) planned to be completed by June 2026. It is estimated that the project will reduce the NRW level within the Alex, Linbro Park Reservoir zone to an acceptable level of 18%, with 9 415MI of water saved per Annum for the zone.

Ivory Park

Feasibility studies have been completed in Ivory Park, whereby it is envisaged that 3 912 MI per annum will be saved post implementation of the project. The total funding required to implement the project is estimated at R210 million. The project commenced with the creation of water zones in the 2024/25 FY. The programme will create job opportunities and support the development of local SMMEs.

While there is adequate evidence that this intervention reduces water demand, there is evidence that poor by-law enforcement erodes the savings achieved through this intervention. All the savings achieved before the CoJ vs Mazibuko, 2003 case were lost due to the lack of by-law enforcement. To sustain the water demand savings, by-law enforcement activities have to be enhanced from the inception of the Project.

Drought Management Plan

Drought Management Plan (DMP) was drafted in the context of the droughts that occurred between 2015 and 2017, which exacerbated issues of water scarcity and equitable water allocation. Johannesburg Water drafted the DMP, which focusses on possible drought scenarios, within the CoJ, as well as the possible ways of managing and distributing the available water resources equally to all citizens. The National Water Act, No.36 of 1998, makes provision for municipalities as Water Management Institutions to have certain information relating to droughts and potential risks be made available to the public. The Act further makes provision for the municipality to use the most appropriate means to inform the public about anticipated droughts or risks posed by water quality, or any other related matter.

The DMP will follow governance processes which will need to be approved by the Council. This process is estimated to take about 4 months at the CoJ until the DMP is concluded as a final plan.

Alternative Water Resources

As part of the broader water resilience strategy for the CoJ, investigations are underway on alternative water resources. Johannesburg Water has started a close working partnership with Rand Water and the entities have identified additional programmes (acid mine drainage, ground water, effluent reuse, etc.) as a strategic intervention to manage the resilience of the system, as shown in Table 27.

Return Treatment: Northern Works

Johannesburg Water and Rand Water entered into a partnership to explore alternative sources of water. The business case is to be completed by both entities and will include alternative financing options for Johannesburg Water. The alternative funding options will be presented for approval by the CoJ.

Return Treatment: Bushkoppies and Goudkoppies

Johannesburg Water completed a business case in 2011, which identified two demand centres, namely the Soweto-Roodepoort supply zone and the Turfontein - Glen Vista supply zone to be supplied with treated effluent for landscape irrigation purposes. Johannesburg Water is investigating alternative funding for the capital costs and infrastructure requirements for the identified projects. This alternative source of funding includes Public- Private Partnership (PPP) with other public entities such as Rand Water.

Boreholes

The CoJ has drilled several boreholes which supply water to its swimming pools and a few select schools. Furthermore, Johannesburg Water intends investigating further exploitation of the groundwater in partnership with Rand Water under the Memorandum of Understanding between the two entities.

Table 27: Alternative resource opportunities identified in partnership with Rand Water (within the CoJ)

DESCRIPTION	ADDITIONAL ESTIMATED CAPACITY ONCE COMPLETED
Return treatment: Northern Works	100 MI per day
Return treatment: Bushkoppies and Goudkoppies	100 MI per day
Boreholes with five minor yield sites each <27 MI/d	135 MI per day
Borehole with 10 major yield sites each >27 MI/d	270 MI per day
Dewatering water: Gautrain – Emergency Shaft 2	15 MI per day
Dewatering water: Gautrain – Emergency Shaft 3	-
Dewatering water: Gautrain – Emergency Shaft 4	-
WWTW to potable water: Lanseria	100 MI per day

Dewatering Water (Gautrain)

Johannesburg Water has identified the groundwater discharged from the Bombela Operations to address the key strategic priorities on water security. Johannesburg Water has started discussions with the Gauteng Management Agency and Bombela Concession Company to define a partnership and framework for collaboration. The objective is to establish a long-term partnership and collaboration on the groundwater discharged between Rosebank and Sandton Gautrain stations, which is under the operational responsibility of Bombela Concession Company.

Water Quality Assurance

Johannesburg Water has tools in place to monitor the drinking water quality compliance throughout the City, such as the drinking water quality monitoring plan. Drinking water quality risk assessment is carried out annually in accordance with SANS 241. This assessment identifies hazards that may require the monitoring plan to be modified. Johannesburg Water has adopted the Water Safety Plan (WSP) as a tool to fulfil this objective by ensuring the safety of drinking water supply using a comprehensive risk assessment and

risk management approach that encompasses all steps in a water supply system from catchment to consumer. The primary activities of a WSP in ensuring good practice for the prevention of contamination during storage, distribution and handling of drinking water are carried out (where possible) during the service interruptions and day-to-day operation of the system.

Johannesburg Water will continue to do daily sampling for microbiological analysis and chemical analysis on a few selected sampling points across the distribution network in the CoJ. The quality of drinking water in the distribution network is tested for all physical, chemical, and biological health related parameters according to the SANS 241 drinking water quality standard. Active sampling points are sampled at a frequency of once per month with a target of 500 samples per month, exceeding the SANS 241 requirement for the population of the CoJ.

Cydna laboratory is a South African National Accreditation System (SANAS) accredited laboratory (Number T0077) that monitors the drinking water quality across the CoJ. Several samples are sent to an independent laboratory for a full SANS 241 analysis for quality assurance purposes.



STRATEGIC GOAL 4	IMPROVE CUSTOMER AND STAKEHOLDER SATISFACTION
Strategic objective	Enhance internal and external communication and stakeholder engagement.
TAS24 Strategic Shift	Realign customer & revenue value chain and increase cash collections.
GDS Outcome	A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.
GDS Outputs	- Partnerships, intergovernmental & international relations. - A responsive, accountable, efficient, and productive metropolitan government. - Financially sustainable and resilient city. - Meaningful citizen participation and empowerment. - Guaranteed customer and citizen care and service.
Mayoral Priorities	Active and engaged citizenry.
Johannesburg Water Programmes	- Internal Communication. - Customer Satisfaction Survey. - Stakeholder engagement and public participation. - Public education. - Media Relations and External Communication. - Community engagements. - Campaigns and outreach.

The purpose of this goal is to enhance internal and external communication and stakeholder engagement to favorably position the Company and aid in positively influencing public perception.

Stakeholder and communication objectives are to develop, nurture and maintain relationships with all stakeholders to:

- Inform stakeholders of Johannesburg Water's initiatives, plans and projects
- Inform and educate stakeholders about the importance of payment for services.
- Educate stakeholders through various public awareness campaigns.
- Ensure stakeholder participation in Johannesburg Water's programmes.
- Manage issues, image and reputation.
- Establish and maintain a healthy rapport with stakeholders.
- Provide relevant and credible information continuously.
- Create a basic level of understanding of the services provided to stakeholders by Johannesburg Water.
- Provide capacity building and empowerment programmes to our various stakeholders such as CLO's to ensure successful execution of their duties.
- Conduct ongoing awareness campaigns to SMME's on Johannesburg Water's Procurement Policy
- Provide a communication network for open and transparent communication.

Customer Satisfaction Survey

Johannesburg Water works with various stakeholders in order to enhance its capacity to provide water and sanitation services to customers, as a result, on an annual basis the customer satisfaction survey is conducted to assess the level of satisfaction regarding performance and to better understand stakeholder knowledge, perceptions and challenges of Johannesburg Water and its customers. The overall CSI for Johannesburg Water for the FY 2023/24 is 71.1% compared to the 72% achievement in the 2022/23 indicating a significant drop of 9%. Measuring customer satisfaction is also critical as it helps to identify customer requirements, preferences, perceptions and the business health of the organisation. It also helps the organisations to identify areas of improvement to ensure improved satisfactions levels going forward.

Stakeholder Engagement and Public Participation

Johannesburg Water will conduct targeted stakeholder engagement programmes through various Stakeholder Forums to ensure a localised customer-centric approach. On-going engagements will be conducted to pre- inform Councillors of planned infrastructure upgrading projects in their wards and regions, as well as the broader Johannesburg Water Business Plan for the 2025/26 FY. The Company will also continue to maintain daily communication and engagement with Councillors, informing them of planned and unplanned service disruptions and regional specific messages on water satisfaction provision and other Johannesburg Water

related issues. This will include the sharing of information on infrastructure projects (current and pipeline); introducing Johannesburg Water Officials; share the public participation protocols and related policies.

The Company will also conduct extensive stakeholder engagement to ensure community buy-in for the successful implementation of the STS meters in affected communities. A customer-centric approach to public participation and community buy-in, is central to the success of developmental projects with minimal or no community project stoppages as well as to the speedy resolution of any project related conflict in the community. The Company will continue to proactively interact and consult communities to ensure their needs and expectations are met.

Johannesburg Water will continue conducting targeted stakeholder forums aimed at highlighting Johannesburg Water's Business Continuity Plan with the aim of making sure targeted stakeholders such as the Health Sector and the Correctional Services Facilities implement their business continuity process that will ensure continuous water supply even during our planned and unplanned service disruptions.

Furthermore, extensive focus will be on water conservation, water demand management with the aim of reducing household consumption and urging various stakeholders such as large water users to reduce their water consumption and usage patterns. The company will further highlight the importance of payment for services and will support the disconnections drive to ensure compliance.

Public Education

Johannesburg Water will continue to conduct public education and awareness campaigns aimed at influencing behavioural change towards the overall WC/ WDM Strategy. This will include influencing behavioural change towards water conservation and proper use of sewer infrastructure. An in-house Public Education Unit will be established to ensure that Johannesburg Water systematically conducts public education on various water & sanitation related issues as well as overall service delivery and payment of services. This Unit, once established, will help targeted engagements with various stakeholders to respond to some of the Key Drivers that dropped our satisfaction level during the previous Customer Satisfaction Survey. The Company will conduct public education and awareness programmes focusing on, among others, on the following critical issues:

- Water conservation.
- Proper use of sewer infrastructure.

- Encroachment.
- By-law enforcement.
- Payment of services.
- Registration for the Extended Social Package.
- How to use and maintain prepaid water meters as well as dry sanitation facilities.
- Encouraging community members to refrain from harming Johannesburg Water employees when doing their work.

Furthermore, various media platforms, including print, electronic and social media will be used to disseminate educational messages to stakeholders, customers and consumers. Johannesburg Water will also work closely with communities to derive suggestions and possible interventions for influencing behavioral change towards the proper use of sewer infrastructure, and this may include conducting community-based Focus Group Discussions and study tours to the wastewater treatment plants to give them exposure of how water treatment is conducted.

Through the existing partnership that exists between Johannesburg Water and Rand Water, educational tours to the Rand Water plants to enable exposure to broader water treatment processes will also be conducted as part of the IGR process. Johannesburg Water will also continue to conduct educational tours to the Johannesburg Water's Wastewater Treatment Plants with the aim of highlighting the importance of the correct use of sewer infrastructure to minimise sewer blockages.

Internal Communication

To maintain and enhance internal communication the following activities will be conducted:

- Publication of the internal monthly newsletter aimed at telling our own stories, achievements and challenges for informed internal stakeholders.
- Conduct general staff meeting through TV broadcast: This platform enables the Managing Director and the Executive Team to engage at regular intervals with employees. Using a live two-way audio-visual communication aimed at ensuring that employees are kept informed of the entity's performance. Employees are able to pose questions to the executive management of Johannesburg Water who, in turn, responds live to those questions.

Johannesburg Water will also endeavour to keep employees informed of organisational developments and strategy for their buy-in and implementation.

Media Relations and External Communication

Johannesburg Water will identify media opportunities to set the water and sanitation agenda, profile projects and plans as detailed in the Business Plan. Media networking and excursion opportunities will be identified, maintained and enhanced at regular intervals. Johannesburg Water will continue to issue daily notices informing customers of planned and unplanned service disruptions. The Company will leverage other existing CoJ platforms in communicating to stakeholders.

- #UzoYtholaKanjaniUsekhoneni, directed at SMME's
- #PartnershipsForSustainability focused at forging relations with business.

Redefine a Customer Centric Service Delivery Value Chain

The Company will invest in an automated two-way communication system to better service and respond to residents. Further, the Workforce Optimisation programme will automate services to respond to all stakeholder needs.

Community Engagement Programmes

Johannesburg Water will continue to engage with communities through public meetings, stakeholder forums, integrated development plan as well as the community-based planning sessions conducted in partnership with the CoJ. These channels of engagement help to create an effective and efficient two-way communication with stakeholders. Working with Ward Councillors to inform communities of up-coming projects in their wards, as well as the service delivery improvement that comes with them, the economic opportunities that these projects will provide, and by requesting their buy-in, will ensure that projects are implemented smoothly and successfully.

Furthermore, ongoing engagement to help resolve project stoppages due to lack of both socio-political buy-in as well as SMME's related challenges. We will also develop and implement on-going conflict resolution and communication guidelines for our Councillors to ensure a harmonious working relationship with them.

Johannesburg Water will continue to increase the stakeholder database to ensure that on-going communication with strategic stakeholders is maintained on planned and unplanned service disruptions.

Improving Customer Experience and Support

In improving the customer experience and making it easier for customers to do business with the Company, a customer portal will be developed and implemented. Metering data, meter readings, billing and query-related information will be accessible for customers to view and submit certain information for billing and account correction. This portal will be used to communicate crucial messages that affect the customer's bill. Furthermore, a customer support section will be created to improve query resolution and to provide support to key customers, as well as to reduce delays in responding to customer queries. Increasing customer awareness on tariff implementation, meter reading and query management processes will also form part of improving the customer experience and support.

Integration and Monitoring

Systems and process integration for effective revenue management will form an integral part of revenue improvement.

This will include the following:

- Maintaining a metering database for tracking new, changed and removed meters.
- Automating the creation of work orders and monitoring the resolution of technical queries before the next meter reading order is created.
- Improving the prepayment database to accurately monitor consumption patterns.
- Developing the systematic monitoring of revenue movements through improved technology and innovative analytical methods.

Campaigns

A number of highly focused campaigns to be activated are:

- Employee focused campaign themed "You are the strongest link."
- Customer focused campaign themed "#Pay4Services" to link the payment of services to developmental goals and service delivery.
- A targeted customer and industry focused water conservation campaign themed in seSotho "S'ka senya metsi".
- A #NotoVandalism targeted campaign.

Response to Community-Based Planning Issues

GENERAL ISSUES	OPEX	CAPEX	NEW REQUEST OR EXISTING	PROGRESS
Water Infrastructure replacement in Wards 4, 73, 88, 93,94,103,104,115 and 119	Operations to assess and if necessary submit request for renewal	No renewal projects identified	New	Johannesburg North, Talavera Bulk Phase 3 and Orange Farm Ext.2 in procurement. Awaiting the award of the Johannesburg Water14171 panel. Emmarantia Ext.1, Craigavon and Cresta-Peri Urban are in design stage.
Sewer Infrastructure replacement in Wards 4,41,58,85,93,94,119 and 134	Operations to assess and if necessary, submit request for renewal	No renewal projects identified	New	Assessments are being undertaken.
Sewer Infrastructure upgrade in Wards 4,41 and 85	Operations to assess and if necessary, submit request for renewal	No renewal projects identified	New	Assessments are being undertaken
Water Infrastructure upgrade in Wards 58 and 119	Operations to assess and advise of supply issues.	Ward 58 – Forrest Hill tower in design. No further projects identified.	Old	Naturena Bulk Water Upgrades was completed in September 2024.
Provision of basic water and sanitation at Jerusalem – Ward 127, Maponya Village, Silvertown, SetJohannesburg Wateretla, 14th Ave and 18th Ave – Ward 109, Silvertown,		To be addressed through the Informal Settlement Upgrading programme of CoJ.	Old (Currently providing nominal services)	The Department of Human Settlement will have to issue an appointment letter to Johannesburg Water for any verifications to be done. No appointment has been received as yet for these settlements.
Provision of nominal water and sanitation at Ice Cream Building - Ward 60	R250,000	N/A	New	To be addressed through the Informal Settlement Upgrading programme of CoJ.
Provision of Bulk water and sewer services to enable formalisation at Protea South and Klipriversoog – Ward 10	N/A	To be addressed through the Informal Settlement Upgrading programme of CoJ.	Old (Currently providing basic as well as nominal water and sanitation services)	To be addressed through the Informal Settlement Upgrading programme of CoJ.

STRATEGIC GOAL 5	ENHANCE SOUND FINANCIAL MANAGEMENT, SUSTAINABILITY AND GOOD GOVERNANCE
Strategic objective	Enhance the way the Company is doing business, with a focus on sound financial management, financial sustainability, and good governance.
TAS24 Strategic Shift	• Realign customer & revenue value chain and increase cash collections. • Restructure the financial relationship with the city for mutual success. • Re-establish independent corporate governance for effective performance.
GDS Outcome	A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.
GDS Outputs	• Partnerships, intergovernmental & international relations. • A responsive, accountable, efficient, and productive metropolitan government. • Financially sustainable and resilient city. • Meaningful citizen participation and empowerment. • Guaranteed customer and citizen care and service.
Mayoral Priorities	• Good Governance. • Financial Sustainability.
Johannesburg Water Programmes	• Financial Performance and Management. • Reduce revenue leakages. • By-law enforcement. • Revised credit control strategy. • Financial modelling and long-term planning. • Budgeting process. • Revised tariff structure. • Alternative funding mechanisms. • Infrastructure Fund. • Public-Private Partnerships (PPP). • Good Governance. • Zero tolerance to fraud and corruption. • Enhance SCM. • Corporate Governance. • Non-revenue water. • Ethics Awareness. • Integrity Management.

The purpose of this goal is to enhance the way the Company is doing business, with a focus on sound financial management, financial sustainability and good governance.

A Financially Sustainable City Strategic Shift Towards Sustainability

A turnaround of the decline in performance is required for CoJ to obtain reliable and sustainable water and sanitation services. The turnaround strategy identifies five necessary strategic shifts that should be ambitiously pursued to turnaround the business. Key financial sustainability pillars of the strategy are to re-align the customer and revenue value chain and increase cash collections, as well as to re-structure the financial relationship with the CoJ for mutual success.

Financial Management and Performance

Johannesburg Water has revised the financial sustainability programs to focus on revenue generation and maximising collections. The following programs have been adopted:

- Reduction of revenue leakages
- By-law enforcement
- Revised credit control strategy

Reduction of Revenue Leakages

The Revenue Enhancement project will focus on Large Water Users to ensure accuracy and completeness of revenue. Johannesburg Water and CoJ has been involved in the revenue enhancement project in the last few years. The focus will also aim to ensure that the revenue is

protected from all accounts that were raised during the revenue enhancement period.

By-law Enforcement

A revised By-law Enforcement Plan was developed to ensure effective revenue protection and support of the water demand management strategies. This plan focuses on different aspects of by-law enforcement including technical and non-technical approaches to reducing illegal connections, tampering and vandalism of metering infrastructure.

Technical Approach

- Increase investigations, disconnections, and legal and forensic capacity respectively to curb the spread of illegal water connections and act against offenders.
- Retrain and reskill investigators to keep abreast of methods used by offenders in installing illegal connections or tampering with water meters.
- Remote disconnections which will be achieved through smart metering technology.
- Additional Cut-off teams

Non-Technical Approach

- Process mapping to re-define the value chain and improve data analytics.
- Improve customer awareness and education regarding water wastage, ghost vending, consumption management as well as reporting illegal connections.
- Review the MoU with JMPD to improve support during by-law enforcement activities.

Revised Revenue Collection Strategy

- The collection levels continue to be a key strategic risk. The collection of outstanding debtors is the responsibility of the CoJ Revenue and Shared Services Centre (RSSC); however, Johannesburg Water has committed to play a more active role in the revenue collection process.
- Johannesburg Water has approved the revised revenue collection strategy. The strategy measure is to reduce the arrear debt from the targeted portfolio of accounts delegated to Johannesburg water that include Body Corporates, Companies, government accounts and Universities. The key focus of the strategy will be the integration of various functions such as billing, legal, disconnections, pre-termination notices and security

services with the purpose of enforcing credit control measures implemented.

- The implementation of the strategy has started in the 2022/23 FY and there has been a notable improvement with the last audited achievement at 79.5% compared to the 75.1% in the 2021/22 FY. This is anticipated to be more effective and efficient in the medium term.

The key focus areas for the 2025/26 FY include the following:

- Improving the lead times for credit management actions – The current lead time is over 90 days from consumption, and the goal is to reduce it to 60 days.
- Improving the disconnection processes - The current Level 1 Water disconnections have not been effective. The company will explore adoption of new technologies to improve the effectiveness of level 1 disconnections.
- Assist RSSC with collection on targeted portfolios – the company will further extend the credit management from the original portfolio of 1 500 accounts to include large water users' portfolio (Black Portfolio accounts).

Financial Modelling and Long-Term Planning

The key to a resilient and financially sustainable entity involves short, medium and long-term planning which is facilitated through financial modelling. This process informs the budget, affordability, funding strategy and tariff approach for the entity.

Budgeting Process

The proposed operational budget for the 2025/26 FY is R20.344 billion and a capital budget of R1.704 billion.

Alternative Funding

There is a need to look beyond the existing funding models in order to realistically reduce the infrastructure backlog. The entity is exploring the following funding mechanisms:

- Investment fund (with Group Treasury).
- The company is driving a process together with Group Treasury to create and contribute toward an infrastructure fund to fund capital programs in the future. The fund will ensure that additional revenue collections above target and revenue generated from other income is ring-fenced for future infrastructure development.
- Performance based contracts.

Johannesburg Water is currently investigating the possibility of utilising Performance Based Contracts to implement some of the projects (especially the Non-Revenue Water programme).

Public-Private Partnerships (PPP's)

The organisation is working closely with the PPP office within the CoJ to identify and motivate for viable projects that can be subjected to potential PPP deals.

Some of the key projects that are currently under discussion and evaluation together with the CoJ are:

- Effluent Re-Use Project
- Hydro Power Project
- Biogas Project
- Sludge Commercialisation / Beneficiation Project
- New Lanseria WWTW

Johannesburg Water is actively engaging with a development institution to establish a strategic partnership that will assist in securing infrastructure funding.

Improving Payment Level

COVID-19's long-term effects on Johannesburg Water include low payment levels. The impact was immediately obvious in the first quarter of the 2020/21 FY, when cash collected only reached 61%. This was considerably below the budgeted target of 80%. The payment level subsequently stabilised to 76% by the end of the second quarter of the FY, however it is still out of reach of the budget levels. The risks associated with low payment level remains, and the entity will have to review the funds it has available for own capital expenditure funding including the impact on fixed operational expenses if payment levels decline below the current levels and continues to be below the targeted 80% collection.

The collection of outstanding debtors is the responsibility of the CoJ Revenue and Shared Services Centre (RSSC); however, Johannesburg Water operates closely with RSSC in this regard to assist with debt collection and credit management where possible. The following strategies are prioritised by RSSC to improve revenue and the collection level:

- Debt rehabilitation programme - phase 2.
- Revenue collection portfolio management by creating categories of debtors and managing the portfolios accordingly.

- Regionalisation of Billing Back Office to improve query resolution management.
- Make revenue walk-in centres more accessible to residents by ensuring that their location is well positioned.
- Use of Credit Bureaus.
- Call Centre Consolidation and new telephony system.
- Implementation of Billing Open Days.

Enhanced Supply Chain Management (SCM) Efficiencies

In the 2020/21 FY, the company experienced a very high number of tenders that could not be finalised/ awarded on time due to a variety of reasons and this had a negative impact on the performance of Supply Chain Management. In view of this dilemma, urgent interventions were made to address this problem, including monitoring and reporting on the matter on an ongoing basis and to ensure that measures are put in place to prevent and reduce such occurrences in the 2023/24 FY. The following issues were identified as being the main interventions within the value chain:

- Re-structuring and capacitating the department with adequate and skilled resources, which will include the establishment of Demand Management Section in Supply Chain Management Unit.
- Establishment of multiple BSC teams each assigned with subject matter experts.
- Systems Applications and Products (SAP) to be enhanced to improve the RFQ process.
- Collaboration of SCM Demand Management section with relevant user departments early in the process before submission of requirements to the Bid Specification Committee. The approved acquisition plan will form the basis of this, and this collaboration will inform the
 - » Market research and industry analysis required, including market price analysis/ benchmarking; and
 - » Procurement approach and strategy to be adopted (i.e., RFP, RFI, use of transversal contracts, use of regulation 32 of SCM Regulations awards strategy, amongst others).

In instances where the entity does not have adequate funding to implement projects, the Public-Private Partnership (PPP) route will be considered. PPP is a contract between a public-sector institution and a private party, where the private party performs a function that is usually provided by the public-sector and/or uses state property in terms of the PPP agreement.



Reduction of Non-Revenue Water

The percentage NRW was at 46.2% (2023/24) in the CoJ, commercial losses at 9.7%, unbilled authorized consumption at 11.7% and physical losses at 24.8%. The unbilled authorized consumption and commercial (non-technical) losses pose major challenges to NRW.

This can be attributed to the following:

- Consumers which are not on the billing database (e.g., formal stands, not deemed stands).
- Unbilled, unmetered stands – formal stands where the individual water consumption is not metered (large areas).
- Deemed customers (flat rate customers).
- Illegal connections (both conventional and prepaid areas).
- Meter inaccuracies.
- Aged infrastructure

The deemed customers' category is unique to the CoJ. There are currently 99 000 customers within this category. These customers are being billed at a flat rate of 20 kl, 10 kl or 6 kl. However, investigations have indicated that the actual consumption to these deemed customers ranges between 50 kl and 60 kl. The difference between the flat rate being billed and the actual consumption is therefore NRW

and is catered for under unbilled, authorised consumption as the deemed shortfall. The areas benefitting in this category are Soweto, Orange Farm and Alexandra.

To bridge the gap in the commercial aspects of the business, Johannesburg Water will focus on the implementation of the following initiatives:

- The Metering and Revenue Project is in progress with the intention to target and deal with the apparent (commercial) losses by ensuring that all water consumers are on the billing database and are billed correctly.
- Converting all deemed areas into metered areas – Phase 2 starting with Orange Farm.
- Rolling out of Standards Transfer Specification (STS) - type metering (smart metering)
- Improving meter reading ratio.

The current growth year-on-year is 2.7%. Thus, going forward growth in demand is assumed to be 2.7%. Taking the baseline (estimated bulk supply for 2023/24) of 658 118 021 kl and an annual estimated growth of 2.7% bulk supply, the 2024/25 FY is estimated 675 887 207 Kl. This would be the bulk supply if work (status quo) remains as it is currently without any implementation of new demand reduction interventions. Rand Water temporary abstraction licence limit of 4 936MI/d will expire in September 2025 and a permanent abstraction licence limit of 4 383 MI/d will be effective from October 2025 until 2028.

The Lesotho Highlands Water Project, which was supposed to come into operation in 2025 has been delayed to 2028. The City of Johannesburg consumption is 1 7851MI/d, as of end of 2023/24 FY and it is above the municipal apportionment from Integrated Vaal River System. Rand Water will supply the City of Johannesburg with only 1600 MI/d from 01 December 2024. Rand Water will then reduce the supply to 1 550MI/d between February 2025 and April 2025, then gradually reduce supply to 1 356 MI/d by September 2025.

Going into the 2025/26 FY, the following aggressive interventions will be implemented to reduce demand, Permanent reduction of water supply to Prepaid and Deemed consumption areas, Schedule Water Supply reduction between 21:00 to 04:00 This restriction will include supply to informal settlements. Increase burst repair turnaround time from 48 hours to 24 hours.

Intensify the use of 1st line response teams to isolate the leaking water while waiting for the repair teams, Intensify Level-3 disconnections in prepaid meter areas, bad/hijacked buildings in CBD and informal areas, Intensify the repair and Maintenance of Network PRV and reduce

network pressure, Pressure Management and Installation of additional Smart Controllers utilising the existing frame contract, Advance leak detection utilizing the existing frame contract and Implement level-1 water tariffs effective 01 December 2023.

In addition to these interventions, the following major projects will be implemented: Orange Farm, Alexandra and Soweto Infrastructure Renewal which includes the installation of STS meters as well as Pressure Management. Pipe replacement will be done, but the impact on water demand reduction is limited and rather service delivery orientated. The estimated reduction in demand due to all these interventions is expected to reduce from the 675 887 207 kl to 495 670 000 Kl by September 2025.

Johannesburg Water will accelerate by-law enforcement, especially in prepaid areas, to reduce commercial losses due to water theft. This will be achieved with a contract procured to expand on resources to effectively carry out by-law enforcement. This will be supported by the MoU signed between Johannesburg Water and the Johannesburg Metropolitan Police Department (JMPD). The MoU seeks to beef up the collaborations on by-law enforcement to accelerate cut-offs and to ensure that all consumers of water are properly metered and pay for water consumption.

Corporate Governance

Johannesburg Water has a unitary Board, which consists of a minority of executives and a majority of non-executive directors. The Board is chaired by a non-executive director. The Board meets regularly (at least quarterly) and retains full control of Johannesburg Water. It remains accountable to CoJ as its single shareholder, through the Company, its stakeholders, and the citizens of Johannesburg.

The Board of Directors and Executive Management recognise and are committed to the principles of openness, integrity and accountability advocated by the King IV Code on Corporate Governance. Through this process, the shareholder and other stakeholders will derive assurance that Johannesburg Water is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices.

Johannesburg Water has entrenched its risk management reviews and reporting. Compliance assessments are conducted in accordance with the relevant statutory requirements. Annual Board assessments and evaluations are conducted and an annual report for the previous year completed in accordance with the terms of Section 121 of the MFMA. All of the above seeks to affirm Johannesburg Water's commitment to upholding good governance and sound ethical practices.

Furthermore, the CoJ's Governance Framework assists the CoJ as a group to improve understanding of the governance structure and principles required to ensure transparency and accountability. The framework also aims to improve the capacity and capability of the Board of Directors and Executive Management to effectively manage Johannesburg Water and efficiently account to the CoJ as a sole shareholder. The Board and Management recognise that Johannesburg Water has a mandate to deliver services in alignment to the CoJ strategy and priorities.

Johannesburg Water received unqualified audit opinions from 2017/18 to 2023/24 FYs, and it continues to take the findings in the Auditor General of South Africa (AGSA) management report seriously by continuously implementing mitigating controls to reduce the levels of recurring findings and to improve the resolution rate of the audit findings. The Audit and Risk Committee oversees the resolution of findings on a quarterly basis, as is standard practice.

The Board provides effective leadership based on a principled foundation and Johannesburg Water subscribes to high ethical standards. Responsible leadership, characterised by the values of responsibility, accountability, fairness and transparency, has been a defining characteristic of Johannesburg Water since the Company's establishment in November 2000.

The fundamental principle of Johannesburg Water is to conduct business ethically while building a sustainable Company that recognises the short- and long-term impact of its activities on the economy, society and the environment. In its deliberations, decisions and actions, the Board is sensitive to the legitimate interests and expectations of Johannesburg Water's stakeholders. The Board provides quarterly and annual reports on its performance and service delivery to the parent municipality (i.e. CoJ) as prescribed by the SDA, the MFMA and the Municipal Systems Act, No. 32 of 2000 (MSA).

System of Internal Controls

Johannesburg Water has employed the services of Internal Auditing as per the MFMA Section 165 (1, 2) requirements. The Internal Audit Department (IAD) is an independent, objective assurance and consulting activity designed to add value and to improve Johannesburg Water's operations. The IAD assists Johannesburg Water accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. IAD adds value in ensuring that the Johannesburg Water accomplishes its objectives by:

- Developing and implementing a risk-based three-year rolling strategic audit plan ending 30 June 2024 which is approved by the Audit and Risk Committee.
- Annually preparing an assessment report expressing an opinion (Statement of Internal Control) on the adequacy and effectiveness of the system of internal controls on issues of deficiencies not addressed or resolved by management on a quarterly basis. The report will form the basis of the Audit and Risk Committee Report.
- Applying the principles of Combined Assurance by integrating and aligning assurance processes within Johannesburg Water to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the Board, whilst considering the Company's Risk Appetite.
- Providing and ensuring that both the unresolved IAD and the AGSA findings are prioritised as part of the plan and through a finding register. This will assist management in improving on the finding resolution rate.
- Conducting investigations into Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure and other non-compliance transgressions not requiring forensic investigation.
- Pro-active assurance on tender process by conducting probity audits on tenders above R5 million and other specific requests for probity such as SCM deviation requests.

The resolution rate for IAD findings for the 2023/24 FY was at 79% and AGSA was at 83.5%. IAD will continue to follow up on unresolved findings to ensure management resolution rate improves with specific emphasis on addressing the root causes to reduce the instances of repeat findings.

Zero-tolerance to Corruption

Johannesburg Water, including the Board, executives and senior management, are fully committed to values- based, responsible ethical conduct. The Board and executives have formulated a clear stance against fraud, corruption and any form of unethical behaviour which binds all Company officials to clearly defined ethical values and ethical conduct required by those values. This is evident through the adoption of an Ethics Policy and other ethics related policies as well as the creation of an Ethics Forum which aims to develop and drive the Company's ethics management programme.

Johannesburg Water has prioritised Fraud Risk Management as per the MFMA. This environment is zero tolerant to acts of fraud and corrupt activities and is fully endorsed by the Board and Management. This means that Johannesburg Water will vigorously investigate and hold to account any individual, group, or Company whether internally or externally, committing or trying to commit fraud or corrupt activities through its systems, officials or clients. The development and implementation of an Integrity Management Strategy will usher in systems and protocols designed to enhance ethical business practices. Ethics awareness and ethics training will be continuously reinforced and undertaken to ensure the fostering of an ethical culture with professional, honest, and accountable employees.

Internal Audit, Risk Management and Anonymous Hotline Tip-offs assist in detecting fraudulent and corrupt activities. All reported cases internally and externally are registered, monitored and investigated by IAD and Group Forensic Investigation Services (GFIS) to ensure that all reported matters are resolved, control breakdowns addressed and responsible officials are held accountable. Johannesburg Water's IAD is mandated by the Board to investigate cases which are of administrative compliance nature and not requiring forensic investigations, including UIFW expenditure and internal investigations for disciplinary matters.

STRATEGIC GOAL 6	THE USE OF TECHNOLOGY FOR EFFECTIVE AND EFFICIENT OPERATIONS
Strategic objective	Maximise the use of technology to be effective and efficient in processes company-wide.
TAS24 Strategic Shift	Establish capability for effective implementation.
GDS Outcome	An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.
GDS Outputs	A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross-cutting output).
Mayoral Priorities	A smart City.
Johannesburg Water Programmes	• Field Service Management (including Customer Mobile App). • Customer Relationship Management (CRM). • Business process – Digital by design (eProcurement, eRecruitment, etc.). • Innovation and Technology Programmes. • Non-Sewered Sanitation.

The purpose of this goal is to maximise the use of all applicable technology for effective and efficient operations company-wide.

Information Technology

The programs identified in this section, will continue to support, and provide a modern and integrated Information & Communications Technology (ICT) environment, to sustain and strengthen the Entity's ability to deliver its strategic objectives, and facilitating collaboration, and efficient business processes in a challenging regulated and constrained environment.

ICT Governance

Enterprise Architecture

An Enterprise Architecture Plan is essential to achieve the department's performance objectives through optimal enabling of its business processes within an efficient ICT environment; and to evolve existing and acquire new information systems and renew ICT services that will optimise the value to the business. Due to budget constraints the project was deferred to the 2024/25 financial year. The implementation of phase one of the Enterprise Architecture is planned for the 2025/26 financial year drawing from the baseline set from the previous financial year.

Compliance to National Treasury's mSCOA

The Entity will continue to support the City of Johannesburg's mSCOA transformation project, to comply with National Treasury's Municipal Standard Chart of Accounts (mSCOA). This includes the unbundling of its Chart of Accounts to meet financial reporting mSCOA compliance.

Sustainable ICT

Cloud Computing

Cloud computing technology delivers greater flexibility and reliability, increased performance, and efficiency, and helps to lower IT costs. The key drivers behind the cloud strategy are elasticity, automation, and service-oriented architecture. In the 2025/26 financial year, the IT department will continue with its strategy towards migrating all business-critical information systems and applications to the cloud and significantly reducing its datacentre footprint.

ICT Security

Security of the Entity's Data and Information Assets

Information and communication technology (ICT) security measures are necessary to protect the Entity's data and information from unauthorised use, modification, loss, or release. In recognising the risks with data in the cloud, particularly privacy of information, technology such as security information and event management (SIEM) will detect, investigate, and respond to threats with the use of Artificial Intelligence technology. Additionally, the IT department will continue with its commitment in educating its user base around the importance of cybersecurity and elevating the Entity's overall security readiness, in respect of identifying, protecting, detecting, and responding to, cyber threats with continuous security assessments.

Embracing Innovation and Technology

Johannesburg Water's strategy in terms of embracing technology will be designed in such a way that it promotes sustainable water services through excellence in innovative approaches and through the advancement of modern and future-focused technologies. The aim would



be to achieve efficiency in Johannesburg Water's core function of operations through solution driven support. The Innovation and Technology Unit aims to be the engine that drives all of Johannesburg Water's functionary sections to operate efficiently to achieve optimum effectiveness, including the company's service departments.

Johannesburg Water Commitments to Smart City Operations

Johannesburg Water will continue, through human and technology resources, to support the CoJ initiatives for a Smart City. Johannesburg Water is assisting the City on Data Migration activities for its SAP Business Transformation project and will continue to provide support to the City's Integrated Intelligence Operations Centre (IIOC). Through the Entity's Business Analytics projects, the Entity will provide data for the IIOC.

Smart Citizen

Johannesburg Water strives to delivers services with its citizens' needs and satisfaction in mind. By using technology application for Customer Relationship Management, residents and businesses will have improved interaction with the business, and have platforms of information engagement, including billing.

Smart Institution

Johannesburg Water aims to be digitised in its operations. Digital transformation in water demand management is one of the key areas in improving water management. Identification of water use inefficiencies and reducing water losses are part of the water management strategy. The management strategy will include upskilling of technical personnel through training and development platforms.

Smart Water Governance

Johannesburg Water plans to improve its ability to solve modern water management problem by applying smart governance principles. There is a continuous focus on achieving economic efficiency and environmental sustainability through the evaluation of existing policies. There is awareness of the need for water reuse and reclamation as part to the smart processes for resource management. The aim being for water management systems to be based on the principles of transparency and good governance.

Sustainability and Resilient Johannesburg Water

Johannesburg Water will not only deliver futuristic endeavours through innovation but will also bridge the gaps by solving current pertinent challenges within the overall Johannesburg Water delivery space. This means that existing service and operational utilities must be examined to determine some of the less discernible pitfalls.

Johannesburg Water aims to create opportunities to innovate and advance the delivery of water. An approach to optimally realise these opportunities is through an inclusive innovation strategy encompassing both incremental and breakthrough ideas. The focus will be aligned to:

- Research driven innovation through applied technology, where research and developments efforts will be focused on current systems tools, whilst not losing sight of new concepts and breakthrough improvements to existing technology.
- An information network hub, to de-compartmentalise innovation and technological platforms within Johannesburg Water, and thus allowing for centralisation of innovation and advancement programmes, irrespective of the user departments.
- High standard and quality research that is organisation self-reflective in terms of technological implementation plans, and reconciliatory in terms of what was previously planned and realised

Keeping up with trends in the Water Sector and from other utility groups will assist with exposure and impact in updating Johannesburg Water systems and processes. Understanding trends will also assist in providing the desired services to customers and allow Johannesburg Water to stay current with industry best practices, especially in water resource management. Most developed systems prioritise Integrated Water Resource Management (IWRM) to conserve water by considering the entire water cycle.

Digitisation and Smart Applications

The advancement of new technologies has the potential to significantly improve delivery in the water sector. The platforms of content collection and analysis will improve as technological applications improve. This will allow the capacities to acquire near-real time systematic awareness of the operational utilities. Cognitive analytics can thus achieve the ability to derive actionable value from these data.

The entity will continue to introduce the latest technology to measure and monitor consumption. The focus will be primarily on the implementation of the Advanced Metering Infrastructure (AMI) for large water users to improve billing and improve payment levels.

Improved technology will also be employed to enhance the surveying and auditing of meters for revenue enhancement, the reduction of NRW losses and by-law enforcement. The implementation of the STS prepaid technology in designated areas will continue in order to improve the customer experience, increase revenue and reduce NRW losses.

Johannesburg Water serves a sizeable number of customers classified as Large Water users. This customer base requires dedicated attention from a water demand and water conservation perspective, and AMI is being considered for this category of customers. With AMI, Johannesburg Water will obtain automatic readings and consumption data in real-time, detecting water use inefficiencies, improved billing, real-time leak detection, two- way communications and monitoring of night flows.

In addition, the system will have Meter Data Management (MDM) capability included in the package. The system should assist in the efforts of Johannesburg Water to manage water demand and conservation. AMI system should enhance metering, monitoring and control of Johannesburg Water's Large Water users. As such, it is expected that, through the implementation of this system, organisational challenges such as accessibility of certain meters, inaccurate meter readings, and high levels of water losses, inefficient water use, water wastage and NRW will be reduced and offer improved customer support. The AMI system should offer customers the ability to monitor their daily consumption.

Digital Technology Enablement

Under Digital Technology Enablement, to streamline and automate business processes through tools and artificial intelligence, three projects have been identified:

Supply Chain Management and Procurement

The project aims to implement a technology solution to digitalise key supply chain and procurement functions from sourcing, contract management, supplier life-cycle management, procurement, and commerce automation. The objective is to significantly improve the sourcing and procurement of goods and services lowering costs, improve business process efficiencies, transparency, and greater accountability.

Field Services Management

The Field Services Management project is currently being implemented and by 2025/26, phase one, which speaks to Reactive maintenance, would have been successfully deployed. In 2025/26 three project will be looking at extended the digitalisation of Preventative maintenance into other business units and functions, for example electro-mechanical and exploring the use of the technology platform into other areas such as meter reading. In addition, work will commence with integration to other systems such as IMQS and SCADA to provide more real-time information in respect of outages and affected areas.

Business Analytics and Dashboards

Johannesburg Water operates a number of applications to support its business and each system contains much data however from a business analytics perspective, this data is fragmented and siloed. The objective of the Business Analytics and Dashboard is to develop and create data visualisations and analysis of key performance indicators (KPIs) and other important business metrics. Using AI technology vast amounts of data, for example, meter reading, can be used to discover relationships between data points and enhance the Entity's understanding of consumer behaviours and preferences. The technology will also be used to develop a water outage dashboard highlighting affected areas geographically.

Automated Fleet Management

The Fleet Department aims to implement the Automated fleet management for improving efficiency, reducing costs, enhancing safety, control vehicle fleet operations and ensuring regulatory compliance. It streamlines operations by automating tasks like vehicle tracking, route optimization, and maintenance scheduling while promoting safer driving practices and fuel efficiency. Real-time tracking provides visibility and accountability, while

data analytics enable informed decision-making and better resource utilization for the Entity. This technology ultimately enhances operational control and overall performance.

Smart Metering

In the 2025/2026 financial year, Johannesburg Water will introduce smart metering to its large Water users and key customers. This improvement in consumption measurement will not only provide high levels of accuracy but will also provide these customers with enhanced ability to interact daily with Johannesburg Water through the customer portal, created for our customers. This metering technology will then be rolled-out to the rest of the customers in phases to ensure that all customers experience the benefits of the technology.

Revenue Completeness and Enhancement

- The Metering & Revenue department will engage in a stand-by-stand audit aimed at ensuring that all stands provided with water services are accounted for and billed accurately. This will not only ensure revenue completeness and accuracy but will also improve confidence in billed revenue, revenue collection and reduce non-revenue water losses.
- Smart metering will be implemented prioritising large water user category of customers to ensure that key customers billed revenue can be immediately collectable as improved confidence will be provided through smart meters. This will also provide these customers the ability to view and monitor their consumption patterns as well as provide the platform to interact with Johannesburg Water regularly regarding their billing.
- Area-by-area by-law enforcement will be conducted to identify illegal connections and act on them swiftly to improve the culture of payment and reduce non-revenue water.

STRATEGIC GOAL 7	INVEST IN OUR STAFF TO SUSTAIN OPTIMAL PERFORMANCE AND SERVICE-FOCUSED CULTURE
Strategic objective	To attract, develop and retain competent and skilled talent in order to enable high performance. The focus is also to create a safe environment that enables diversity, inclusiveness, and a conducive organisational culture.
TAS24 Strategic Shift	Establish capacity for effective implementation
Johannesburg Water Programmes	• Recruitment and selection of Talent. • Training and Development Programmes for Staff, Leaders, and Youth. • Performance Management to drive high performance. • Succession Planning and Career Management. • Employee Engagement and Transformation. • Organisational Design and Review. • Provide Facilities and Fleet Management Services to enable service delivery.

The purpose of this goal is to drive the implementation of an integrated Talent Management strategy that focuses on the attraction and retention of talent, as well as the development of skills and the motivation of employees to drive high performance and create an environment that enables diversity, inclusiveness, and a conducive organisational culture. The focus includes the provision of a safe and secure environment for our people, stakeholders and security of our infrastructure and assets.

Talent Management

Talent management is a systematic and integrated approach towards the attraction, placement, and development of talent to ensure the business has the required skills at the right time. The mission of Human Resources department is to support the strategic objectives of the entity through:

- The acquisition, development and retention of qualified talent at all levels.
- Creating a culture that responds to customer needs and satisfaction.
- Building a diverse and inclusive workforce.

- Creating a high performance and productive culture.
- Maintaining good relations with Organised Labour.
- Effective leadership development and succession planning.

The above will be achieved through a process of reviewing the current Talent Management Strategy and developing a policy that will support the advancement and retention of key talent. The development of a critical and scarce skills list for the Company linked to critical and scarce skills in the Water Sector, will ensure that fit for purpose development initiatives are implemented for all critical roles to ensure business continuity. The review of the Succession Management Policy and Guidelines to facilitate talent forums effectively and efficiently for leadership and critical positions for succession, and the development of an Employment Equity Plan of the business as well as building communication platforms that encourage robust discussion with organised labour to ensure a conducive working environment for the employees, would ensure operational efficiency.

The Talent Management model depicted below illustrates how the talent management value chain is implemented. The various initiatives and programmes to ensure that the entity has the right skills at the time are outlined.

1. Talent Management Model



1.1 Talent Attraction

In an increasing competitive national and global market for limited skills, it is critical that Johannesburg Water provides a conducive working environment that will attract, retain and motivate the right caliber of employees. The focus will be on developing a Workforce Plan that is aligned to the business needs and to drive programmes that position the entity as an employer of choice through an aligned employer brand strategy as a fit-for-purpose Employee Value Proposition programme. In addition, the provision of an efficient and effective Recruitment and Employee on-boarding services is critical.

1.1.1 Recruitment and Selection

The recruitment process serves as the first stage in ensuring that Johannesburg Water provides quality service and sustainable optimal performance. Identifying and attracting suitable applicants depends on the effectiveness of its sourcing strategies. The job design system ensures that job profiles, which are utilised to draw advertisements, are able to attract the right candidates for the job. Optimising its talent sourcing and recruitment is therefore one of the Company's top priorities.

Reducing the time taken to fill vacancies has also been prioritised. Johannesburg Water has, been operating at an average of 13 weeks' turnaround time for recruitment. The target for 2025/26 FY is to achieve the turnaround time of 11 weeks. The process of exploring automation of the recruitment value chain to improve turnaround times is

underway. The IT department initiated the tender process, currently at the specification stage following the Market analysis to determine the cost for the e-recruitment platform. It is the intension to have the system in place for piloting in the beginning of 2025/2026 financial year. Based on the assessment of the past three years, it is envisaged that the transition from traditional recruitment to an automated system will assist in improving the turnaround time to further assist in accelerating the filling of positions.

To broaden the source of talent, a panel of Recruitment Service Providers has been appointed to support the entity to search and head-hunt for scarce critical skills, including attracting people with disability to the business. Engagement with departments responsible or dealing with institutions of people with disability are being engaged to broaden the pool of available candidates for positions ring-fenced for people with disability.

To enable proactive sourcing and attraction of skills, a Strategic Workforce Plan is being developed for the business. This will enable the business to plan for the demand and supply of talent at the right time for business continuity and service delivery. In an effort to enhance quality of candidates recruited into the Organization, the Human Resources department will be exploring the possibility of introducing psychometric assessment to levels below senior managers.

1.2 Talent Development

The focus is to develop competent and skilled talent to enable the entity to meet its service delivery objectives. The key programmes include Performance Management and Training and Development.

1.2.1 Performance Management

Performance management is the process of ensuring that a set of indicators and outputs meets the entity's goals in an effective and efficient manner. Performance management focuses on the performance of individual employees and the performance of the entity. This is a formal process to ensure continuous performance planning (contracting), monitoring, reviewing and rewarding of performance.

In striving towards a company culture that embraces high performance, there is emphasis on ensuring that employees comply with the Performance Management policy by contracting on time, conducting mid-term reviews and final reviews on time. as well as finalizing moderation processes on time. The submission rate of employees

who contracted on SAP ESS for FY 24/25 increased significantly and the efforts to embed this process will continue in this current financial year to ensure a 100% contracting and performance reviews on ESS is achieved for those who have access to the system.

For 2025/26, the focus will mainly be on the following initiatives:

- Continue to embed the performance management moderating process to drive alignment of corporate, departmental, and individual performance.
- Continue with the change management process to ensure full implementation of the E-performance management module.
- Enhance or upgrade the ESS and MSS systems (Fiori) for more functionality.
- Inculcate a high performance culture by monitoring employee and manager compliance with performance management timelines, providing tools for managing poor performance, and assisting managers in implementing consequence management.
- Conduct an assessment to determine the organisation's performance management maturity level. The understanding of the maturity level can set the business on a path towards improved individual performance and productivity and ultimately high organisational performance.
- Ensure that Employee Satisfaction survey action plans are implemented and monitored to address areas of concern.

1.2.2 Training and Development

Johannesburg Water set aside a training budget of about 1.0% of its total annual payroll. This is in line with what is prescribed in the Skills Development Levies Act, No. 9 of 1999, which states that a minimum of 1% of the annual payroll to be made available for skills development. The training budget is utilised for the implementation of human capital development programmes which are mainly focused on technical skills, soft skills, health safety and compliance, learnerships, apprenticeships and management and leadership development interventions.

The focus for this financial year will include intensifying the training provided in technical skills for the operational workforce in the Networks department. This will be achieved through the implementation of the approved Technical Training Strategy and Training Plan. The aim is to gradually enhance the internal training capacity and capability through various capacity building initiatives such as training and qualifying of internal employees who

are subject matter experts as facilitators, assessors, and moderators. There are currently twenty-five employees who volunteered to be part of a capacity building project and who should be ready to start training other employees on the job in 2026. Refurbishment of the Ffennell Training Centre is scheduled for completion towards the end of 2025. The project includes the building of a technical workshop and a water reticulation simulator. This improvement will allow employees to undergo practical training and onboarding training as and when required, eliminating the need to follow a cumbersome procurement process and save cost on training.

The company has an Apprentice programme aimed at building a steady internal pool of skilled employees in various trades that will be required in the business in the next three to four years. This is a continuous process to ensure that scarce and critical skills requirements are met and available in the Company.

As part of the commitment to improve the lives of employees and creating a developmental pathway for them, the Company will assist employees who do not already hold a national senior certificate (Grade 12) in obtaining one. An in-house Adult Matric programme is offered annually as and when needed. Employees who enroll for this programme are tutored and assisted on-site. This approach was adopted as some employees might have attended formal schooling many years ago and may therefore be challenged in terms of understanding of learning content and self-study techniques.

The Adult Education and Training (AET) levels 1 to 4 in numeracy and literacy is offered to employees who have a school qualification lower than grade 9 and who are interested to improve their literacy and numeracy skills. The current programme has a capacity to accommodate up to seventy employees on different levels of the programme.

In line with the Mayoral Priority number four, the Company has programmes that enable young people to gain valuable skills and work experience, namely the bursary and internship schemes. The aim of these programmes is to develop skilled human resources in predominantly scarce skills to assist Johannesburg Water in achieving its core mandate of service delivery while at the same time uplifting communities and in particular, women and youth.

The Company has resolved to increase the duration of the Internship programme from one year to two years to ensure that Interns receive maximum exposure in work related activities that are relevant to their qualifications. The new process will be more structured and will see

the Interns exiting their internship programme with a letter of recommendation from the Company. This will increase their chances to be employed in jobs relevant to their qualifications and experience. In 2025/26 FY the plan is to have at least eighteen interns across the various disciplines. The targeted number is based on available budget and capacity to accommodate workplace experiential learning.

The aim of the bursary programme is to develop the intellectual capital required by the Company and to ensure that the right caliber of people is available to meet future competency requirements. The bursary programme focuses predominantly on the field of engineering although other critical and scarce occupations are also considered. After qualifying, students join Johannesburg Water as trainees and are absorbed in permanent positions after three years should they meet the minimum requirements for the vacant position. This programme has been running since 2002.

1.2.3 Training and Management Development Programmes

The Internal Training Plan includes credit and non-credit bearing learning programmes in the form of Artisan Recognition of Prior Learning (ARPL); Recognition of Prior Learning (RPL) Short Courses; Skill Programmes (technical and non-Technical); Learnerships and Apprenticeships. The Water Reticulation Practitioner qualification that was approved by the QCTO in 2020 is currently being implemented as a pilot programme in collaboration with the Department of Water and Sanitation (DWS) and the City of Tshwane. The first group of employees who are enrolled in this programme are envisaged to qualify in 2026 as this is a three-year programme. This qualification was mainly developed to replace the Domestic Plumbing qualification which was not relevant in terms of mass water reticulation services conducted by municipalities.

The Company is prioritising the development of its leadership cadre and invested in numerous leadership and management development programmes through the years. Programmes planned for 2025/26 FY are Leadership and Coaching, Group Coaching for Managers in the Networks department and Municipal Financial Management Programme. The Company also has a Memorandum of Agreement with the National School of Government where university accredited Supervisory, Foundation Management, Emerging Management and Advanced Management Development programmes are offered.

1.3 Talent Retention and Transition

Johannesburg Water manages and retains talent through the development and implementation of programmes such as succession planning, specialist career grading for engineers and scientists, as well as through the Engineering Capacitation Programme, which is aimed at developing engineers by providing the necessary exposure to enable engineers to register professionally with the ECSA. The focus will also be to develop talent pools for leadership and management to create leadership continuity in the business. It remains critical to provide a diverse and transformed environment for all employees.

As part of the Turnaround Strategy 2024 the Company will be engaging and entering into Memorandums of Agreement and Understanding with COJ Technical Staff Forum, ECSA and Rand Water. The purpose of this exercise is to ensure that the City including Johannesburg Water and other Municipal Entities develop engineers to the level of Professional Registration which will enable the City and Municipal Entities project manage and sign-off project of any scale and complexity.

Talent Retention consists of the practices implemented to keep talented and skilled employees within the organisation. Johannesburg Water manages and retains talent through the development and implementation of programmes such as succession planning, specialist career grading for engineers and scientists, as well as through the Engineering Capacitation Programme and Scientific Capacitation Programme, which are aimed at developing engineers by providing the necessary exposure to enable them to register professionally with the Engineering Council of South Africa (ECSA) and the professional registration of Scientists with the South African Council for Natural Scientific Professions (SACNASP) respectively.

1.3.1 Succession and Career Management

As part of retaining talent within Johannesburg Water, the Board approved a succession policy in line with the Company's talent management strategy. The overall objective of the talent management and succession planning process is to facilitate the structured identification and growth of employees, as well as to aid the retention of talent and, in the process, create and strengthen the Company's talent pool. Succession planning is carried out through functional talent forums. The talent forums identify key positions at all levels for which succession planning is considered vital. Succession plans, which

identify individuals, with their competency gaps, are drawn up and the identified individuals sign a succession planning agreement whereby they acknowledge their responsibilities as part of the succession planning process.

1.3.2 Retention of Critical Skills

Johannesburg Water has an active retention strategy, which aims to improve retention rates, particularly of critical and scarce skills, while at the same time decreasing the associated costs of a high turnover. Since the implementation of this strategy, turnover has decreased significantly, with the retention for both critical, scarce skills and all staff being consistently maintained below 97% over the past few years.

A number of programmes are in place that cement the low turnover rate and encourage retention. These include the availability of career counselling, proper on-boarding and induction programmes, as well as regular analysis of exits. In addition, a management coaching programme has been in place since 2012. For FY 2025/26 the Company will focus on deliberately planning for courses and workshops that offers Continuous Professional Development to enhance and maintain the professional statuses of professional employees.

1.3.3 Employment Equity and Transformation

Johannesburg Water acknowledges the need to develop a culture of diversity that goes beyond achieving the numbers through workforce representation. The society we service is very diverse; thus, it is important to develop a diverse workforce to serve the community. An Employment Equity (EE) Plan has been put in place, effective as of 1 August 2023 for five years until 31 July 2028.

The EE Plan for the FY, which will end on 30 June 2025, provides for the following targets for the employment of Females and PWD:

Female Representation: 40% by 30 June 2025

PWD: 2.79% by 30 June 2025

It should be noted that whilst mechanisms are put in place to ensure the attainment of the target set on female representations within the entity, continuous, improved focus is required in upgrading and increasing the number of standby facilities to accommodate female employees, particularly within the networks department.

1.3.4 Employee Health and Wellness

The Employee Wellness Programme provides an accessible, confidential 24-hrs/ 365 days support service to employees and their family members. As a worksite-based programme, it impacts the mental, physical, financial, and social well-being of employees through identification, prevention, interventions, and resolution of personal and productivity-related challenges. As part of Promoting a Healthy Lifestyle, awareness campaigns, including health screenings, are launched with the goal of motivating employees to adopt healthy lifestyles, detecting any health risks (including chronic illnesses), and preventing non-communicable diseases. In addition to health screenings, other support interventions such as Mental health awareness, EAP counseling, and referral services, Trauma debriefing, Gender-based Violence information sessions, financial Wellness information, substance abuse prevention sessions, the establishment of men's forum, etc. will be embarked on in the 2025/26 FY. Moreover, in the 2025/26 financial year the focus will be on reviewing the health and wellness model and programme to drive integration and address health and safety risks. The interventions are aimed at decreasing frustration, reducing absenteeism, improving morale, and ultimately increasing productivity.

1.4 Organisational Development and Planning

To drive high performance and service delivery, it is critical for the Company to achieve alignment in strategy, culture and organisational structure and systems. In order to support the strategic shift and alignment that the business is implementing from 2024/25 FY, it is critical to ensure that the right people capacity and skills are available to drive the achievement of the new strategy. To achieve this

and as part of the Turnaround Strategy 2024, an in-depth organisational review process will be conducted focusing on the following programmes for 2025/26 FY:

- Capacitate the Human Resources Department with Organisational Development skills that will enable the planning and implementation of Organisational Development initiatives.
- Conduct organisational design review to ensure that the organisational structure and the operating model of the business is aligned and adequately capacitated to deliver on the new strategy.

1.5 Shift System

Water and Sanitation work is a 24-hour/ 7-days workstream, however Johannesburg Water is a five-day working company. After-hours work is performed through standby agreement and weekend work is classified as overtime and accordingly remunerated as such. Furthermore, over weekends, limited teams are available, although enhancement of service delivery requires full complement of staff even over weekends. Thus, the implementation of a shift system will be more beneficial for the type of work Johannesburg Water operations need to render. A working committee was established to develop a proposal for the implementation of a shift system, with the objective being to finalise the work and commence engagement with labour with the intention of implementation in the 2025/26 FY. Due to the delays in the process, the engagement process with organized labour is envisaged to take place in the 1st quarter of 2025/2026 FY. With the envisaged institutional review, the company will have an idea of other areas of the business where the shift system could be beneficial. Resultantly engagement with those department will be initiated in the 2025/26 year.



2. Occupational Health and safety

Johannesburg Water will continue to be committed to protecting its employees, customers and the public from health and safety risks arising from work-related activities as mandated by the Constitution of the Republic and various health and safety laws.

2.1 Occupational Safety

One of Johannesburg Water's basic principle on continuous improvement in OHS management and performance are to prevent injuries and promote good health. To ensure safety compliance, safety audits are undertaken in all of Johannesburg Water sites/facilities and with all contractors that are implementing projects for the entity.

During the 2023/24 FY, Johannesburg Water started implementing the International Organisation for Standardisation (ISO) 45001: Safety Management System and 14001: Environmental Management System. The Company has opted for corporate certification, which includes all activities within the Company's value chain. The system is implemented in phases with all the Corporate Documentation and Procedures developed. The next phase is the enrolment of the system to various

sites which was initially planned for the 2024/25 FY but has moved to the 2025/26 FY due to budgetary constraints.

For the recent past years, Johannesburg Water has been measuring the safety performance of its operations using the Disabling Injury Frequency Rate (DIFR) with a target of 1. During the 2022/23 FY, the DIFR methodology was reviewed after a benchmarking exercise with other entities to assess if there is a need for improvement. The DIFR target has since been adjusted to 1.5 to include vehicle accidents in the calculation and this new approach will continue to the 2025/26 FY.

2.2 Occupational Health

A number of medical tests are conducted for our employees as part of the Medical Surveillance programme. The key objective of this programme is to proactively diagnose any health risks in the workplace with the aim of addressing them. To date the focus has been on individual employee assessments and during the 2025/26 FY, the medical surveillance programme will continue to be bolstered to portray an organisational profile based on the medical assessment from the relevant employees. This will enable the Company to assess the health programmes aimed at protecting the occupational health of the employees.

2.3 Environmental Management

The entity will continue to deliver its operational mandate in a manner that complies with the requirements of the National Environmental Management Act (NEMA) and the National Water Act (NWA). Monthly environmental audits will continue to be conducted to ensure that the sites/facilities and contractors adhere to the requirements of NEMA and its regulations. All projects are screened to ascertain whether they require environmental impact assessments/basic assessments and water use licences before commencement. To ensure that all wastewater treatment works comply with the conditions of WUL, annual internal and external audits are also conducted in all the six WWTW. The Company has developed the Environmental Sustainability Strategy (ESS) aligned to the City's holistic ESS and continues to monitor the implementation thereof.

2.4 Disaster Management

During the 2025/26 FY, Johannesburg Water will continue to implement the Disaster Management Plan should there be any disaster classified in the DMP or declaration of the disaster in terms of the Disaster Management Act 16 of 2015.

3. Security Management Services

The primary focus is to ensure that the assets and the employees of the entity are secured and always protected in the pursuit of continued delivery of services to our communities. To identify and mitigate security risks, the company conducts Security Threat and Risk assessments at all company sites. The outcome of this assessment informs proactive measures to be implemented to improve security.

To curb the criminal incidences experienced by employees and service providers whilst at sites and to support by-law enforcement initiatives, a Specialised Security Tactical service provider was appointed. This service addresses the Meter Reader's security threats, violent crimes within the Wastewater Treatment Works, Illegal Connections challenges and performs armed response to all Johannesburg Water Non-Specialised sites where Johannesburg Water has deployed insourced guards.

3.1 Johannesburg Water Security Services focus on four dimensions of security.

- Physical Security (Perimeter fencing)
- Integrated Security Systems (Security Technology) asset control
- Procedural Security (policies, procedures, processes)
- Security Enforcement (Managerial, Supervisory, Guard enforcement and specialized services)

3.2 Security services has a mandate to provide a safe and secure working environment to all Johannesburg Water employees, infrastructure, and assets by:

- Identify, detect security threats, and respond on time.
- Controlling effective Access and Ingress control through innovation and automation on all Johannesburg Water sites
- Conducting effective investigation of reported incidents
- Strengthening relationship with stakeholders
- Improving safety and security through awareness campaigns.
- Regarding security of the Company infrastructure, market research was conducted to determine the suitability of effective electronic and technical security equipment to ensure pro-activeness and early deterrent. The research was based on two aspects online security intelligence and integrated security system for CCTV & alarm systems. A service provider was appointed in the 2023/2024FY to drive the implementation of the Security Infrastructure Plan focusing on: Crime deterrence through installation of CCTV, alarm systems, security beams and camera systems linked to Johannesburg Water Security Control room. The programme will be implemented three years with priority being Wastewater Treatment Plants.
- Continuous benchmarking of the best practices for safety and security solutions.
- Implementing remedial action on all identified security breaches

Table: 29: Strategic Programmes/Focus

STRATEGIC GOALS	2024/2025 ACTION PLANS/PROGRAMMES/KPI	2025/2026 ACTION PLANS/PROGRAMMES/KPI	REQUIRED RESOURCES (BUDGET, VACANCIES, ETC.)	COMMENTS
To improve customer and stakeholder satisfaction	Deployment of Security Resources to Critical Sites	Procurement of tactical Response Services, Armoured, crowd control, and VIP protection Services	Budget estimated to R247,040,757.53	The process is currently at BSC stage, and it is expected to be advertised in December 2024.
Create a culture of innovation management and use of technology.	- Declaring of the 6 Wastewater Treatment Works to be National Key Points - Conduct Security Risk assessment by SAPA and NKP advisory to the 5 WWTW	Implement the recommendations at Driefontein Works	Budget to implement the recommendations	SAPS indicated that they cannot assist with other sites if recommendations on 1st sites are not implemented.
Enable a high-performance culture which recognises and rewards good performance.	- Procurement of adequate tools of trade: radios, bullet traps, safes, pepper spray and torches - Building of Brick mortar guardhouse	- Maintain the effective of the equipment's and replace those that need to be replaced - Building of +-20 brick mortar guardhouses at Pumpstations and reservoirs	Budget	The security tools of trade life span is short, and they need to be replaced. interdependency on Operations Department.
To proactively support the governance and compliance to security Regulations,	Conduct Risk assessment on Johannesburg Water sites	Conduct 80 TRA and 80 Sites Evaluations to Johannesburg Water sites	-	Conduct evaluation and ensure that end users are implementing- the recommended security measures - on going process
To identify and mitigate security risks for the company	Implementation of security automation to 20 critical sites, installation of cameras and intruder detection systems	Implementation of the automation of 21 Critical sites	±R18,240,840,16 million	In progress
To identify and mitigate security risks for the company	Deployment of human resource to 26 sites	Reduce the number of unmanned sites based on the approval of additional requested budget (96) sites	±R3,362,004,08	Depend on Budget availability

Security Services is dependent on Operations Department in implementing all the recommendations and findings observed and outlined on the Threat and risk assessment conducted.

Top Management to assist and support Security Services financially to ensure all identified security breaches are addressed to ensure effective protection of all Johannesburg Water infrastructures.

4. Facilities and Fleet Management Services

Facilities Management is responsible for providing a safe, secure, and conducive working environment for the Company at Head Office. The department operates in compliance with the Occupational Health and Safety Act 85 of 1993 and its Facilities Regulations, ensuring adherence to prescribed standards and guidelines.

Fleet Management focus on ensuring the efficient utilization, maintenance and facilitate the procurement of Johannesburg Water's fleet while optimizing asset performance to support operational needs and service delivery.

4.1 Office Accommodation for Head Office

The new head office building lease was procured through Johannesburg Property Company (JPC) as per the mandate from the City of Johannesburg (COJ). Johannesburg Water took occupation from the 01 March 2021 and the lease agreement will expire on 31 March 2025. JPC has commenced the process to extend the

lease for six (6) years and eleven (11) months, starting from 1 April 2025.

4.2 Fleet Availability

Johannesburg Water fleet is procured through the fleet contract administrated by the City of Johannesburg. The Entity has an allocation of 821 non-specialised and specialised vehicles, and the non-specialised passenger vehicles tender was awarded to Afrirent Fleet Services. Johannesburg Water is expecting at least over 90% of new fleet delivered by Afrirent in 2024/25FY is to ensure delivery of the customised vehicles.

4.3 Past Performance

Table 30 assesses the past performance in terms of the three Strategic Goals that are impacting directly on the service delivery, which is mainly encapsulated in strategic goals 1, 2, 3 and 4.

Table 30: Past performance in terms of service delivery

STRATEGIC GOALS OR OBJECTIVES	ACHIEVEMENTS 2023/24	ACHIEVEMENTS 2022/23	ACHIEVEMENTS 2021/22	ACHIEVEMENTS 2020/21
Strategic Goal 1	133% broad-based black economic empowerment (B-BBEE) procurement spend 1 483 EPWP job opportunities created	132% broad-based black economic empowerment (B-BBEE) procurement spend 1 808 EPWP job opportunities created	127% broad-based black economic empowerment (B-BBEE) procurement spend 2 028 EPWP job opportunities created	127% broad-based black economic empowerment (B-BBEE) procurement spend 1 594 EPWP job opportunities created
Strategic Goal 2 Note: Basic services targets were set as number of households or percentage households with access for different years.	464.66 sewer blockages per 100 km of pipe length 402.36 pipe bursts per 100 km of pipe length 0.58% renewal rate on the network and WWTW 99.32% capital expenditure spent 123 SMMEs supported 99.20% water quality compliance 927 households provided with access to basic water 0 households provided with basic sanitation	473.94 sewer blockages per 100 km of pipe length 297.03 pipe bursts per 100 km of pipe length 0.50% renewal rate on the network and WWTW 103% capital expenditure spent 161 SMMEs supported 99.18% water quality compliance 1 453 households provided with access to basic water 2 349 households provided with basic sanitation	516.85 sewer blockages per 100 km of pipe length 390.65 pipe bursts per 100 km of pipe length 1.18% renewal rate on the network and WWTW 91.8% capital expenditure spent 213 SMMEs supported 99.5% water quality compliance 4 125 households provided with access to basic water 1 001 households provided with basic sanitation	503.21 sewer blockages per 100 km of pipe length 368.23 pipe bursts per 100 km of pipe length 1.09% renewal rate on the network and WWTW 89.9% capital expenditure spent 191 SMMEs supported 99.4% water quality compliance 6 411 households provided with access to basic water 678 households provided with basic sanitation

STRATEGIC GOALS OR OBJECTIVES	ACHIEVEMENTS 2023/24	ACHIEVEMENTS 2022/23	ACHIEVEMENTS 2021/22	ACHIEVEMENTS 2020/21
Strategic Goal 3	261.73 water consumption per capita (l/c/d)	262.05 water consumption per capita (l/c/d)	267.65 water consumption per capita (l/c/d)	268.23 water consumption per capita (l/c/d)
Strategic Goal 4	67.46% response time to sewer blockages 92.66% response time to water bursts 85.36% of accounts billed on actual consumption	60.04% response time to sewer blockages 65.92% response time to water bursts 82.75% of accounts billed on actual consumption	95.53% response time to sewer blockages 80.46% response time to water bursts 90.15% of accounts billed on actual consumption	94.72% response time to sewer blockages 84.20% response time to water bursts 90.15% of accounts billed on actual consumption

4.2.1 Corporate Scorecards

The Company is required to report on performance information to various stakeholders in various forms and, as such, seven scorecards are included in the Business Plan to satisfy this requirement.

1. Institutional SDBIP
2. Entity's balanced scorecard
3. Entity KPIs budgets
4. UISP Key Performance Indicators
5. Circular 88 indicators (Outcome & Output)
6. Service standards
7. Targets and Institutional/Gatekeeping Indicators and Targets

These scorecards are reported monthly and quarterly and requires verification including assessment of Means of Verification (MoVs). The scorecards being monitored may vary from time-to-time depending on monitoring requirements from stakeholders. Some of the KPIs for the Institutional SDBIP are repeated in the UISP scorecard because reporting on these KPIs is for different stakeholders.

Key notes and concepts:

- The Baseline of 2023/24 FY was considered for target setting, being the last annual year of full performance.
- Target align to SMART Targets principle: Specific; Measurable; Achievable; Relevant; Time-bound
- The targets are based on allocated budget.
- Decreasing targets: Decreased score that the entity aims to achieve to reduce the set target, e.g., the goal is to reduce debtor days to 100.
- Quarterly targets are cumulative, the annual target disaggregated into quarterly targets, with previous quarters' targets added to the following quarters to total the annual target. Reporting show aggregated performance from the start of the Financial Year to the quarter being reported.
- Non-cumulative targets: The annual target not disaggregated into quarterly targets.
- The quarter 1 target of zero is set for basic services KPIs due to the delays in obtaining the list of informal settlements from Human Settlement. This allows proper planning and finalisation of engineering studies, designs and environmental processes for readiness to implement the projects in each new Financial Year. Over the past 3 financial years, it has been a challenge to get the approved list on time; hence, the delays resulted in the need to set the first quarter targets at zero.
- Targets with sub targets include percentage split in brackets for performance computation.

4.2.2 Institutional SDBIP indicators

Table 31 indicate Key Performance indicators that the Company supports in the Institutional SDBIP

Table 31: Institutional SDBIP

	KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	BASELINE 2023/24	2024/25 Q2 ACTUAL	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	KEY INTERVENTIONS	2025/26 BUDGET (PER PROGRAMME)		2025/26 QUARTERLY TARGETS				MEANS OF VERIFICATION
											CAPEX R'000	OPEX R'000	Q1	Q2	Q3	Q4	
IDP programme	1.	Number of additional households provided access to basic water at minimum LoS 1 in informal Settlements.	927HH	76HH	800HH	2 000HH	2 000HH	2 000HH	2 000HH	Communal/ Yard Standpipes.	30 000	-	0 HH	250HH	500HH	800HH	Contractor's completion certificate Handover Letter to Operations Listing of the Households physically counted.
	2.	Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements.	0HH	0HH	2300HH	3 050HH.	3 450HH	3 500HH	3 500HH	VIP, pour flush and Ablution blocks.	-	71 000	0HH	750HH	1500HH	2300HH	Contractor's completion certificate Handover Letter to Operations Listing of the Households physically counted.
	3.	Total Water Losses.	226 967 MI	237 416 MI	204 270 MI	196 099 MI	188 163 MI	180 274 MI	173 495 MI	WC/WDM Strategy, Water restriction schedule	270 000	76 000	221 294 ML	215 619 ML	209 945 ML	204 270 ML	CoJ zonal water balance. Excel calculation sheet.
	4.	Volume of average total daily water demand	1 785MI/d	1 762MI/d	1 650MI/d	1 600MI/d	1 550MI/d	1 500MI/d	1 450MI/d		270 000	76 000	1 650MI/d	1 650MI/d	1 650MI/d	1 650MI/d	IWA Water balance

4.2.3 Entity's Balanced Scorecard

Table 32 represents the Balanced Scorecard (BSC) for the entity. The entity measures its performance against the 30 Key Performance Indicators (KPIs) as approved in the Business Plan

Table 32: Entity's balanced scorecard

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
KEY PERFORMANCE AREA: ACCOUNTABILITY PERFORMANCE - SPOMA (WEIGHT 10%)															
Financial Model and Business & Investment Plan (B&I)	MTS financial model developed and used to inform strategic financial/business operations	Develop financial Model and B&I plan Weight 35%	Budget envelope determined by current Financial Development Plan (FDP)	Development of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme.	A/T	A/T	A/T	Development of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	Implementation of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	Implementation of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	Implementation of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	Implementation of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	Implementation of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	OCFO	1
Financial Transparency – separate AFS	Statement of key centre/trading services flows & balances: grant shares, capex funding, revenue proceeds, inter-departmental overheads charged, cash balances, receipts and payments, etc.	Report AFS for the entity separate from CoJ Weight 35%	- GRAP Compliant AFS being produced. - Integrated Annual Report being produced. - Flows and Balances Report to be developed.	- Maintain GRAP Compliant AFS being produced (40%) - Maintain Integrated Annual Report being produced (30%) - Develop and obtain approval together with COJ and NT Flows and Balances Report(30%)	A/T	A/T	A/T	- Maintain GRAP Compliant AFS being produced. - Maintain Integrated Annual Report being produced. - Develop and obtain approval together with COJ and NT Flows and Balances Report	- Maintain GRAP Compliant AFS being produced. - Maintain Integrated Annual Report being produced. - Maintain Flows and Balances Report production	- Maintain GRAP Compliant AFS being produced. - Maintain Integrated Annual Report being produced. - Maintain Flows and Balances Report production	- Maintain GRAP Compliant AFS being produced. - Maintain Integrated Annual Report being produced. - Maintain Flows and Balances Report production	- Maintain GRAP Compliant AFS being produced. - Maintain Integrated Annual Report being produced. - Maintain Flows and Balances Report production	- Maintain GRAP Compliant AFS being produced. - Maintain Integrated Annual Report being produced. - Maintain Flows and Balances Report production	OCFO	2

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
KEY PERFORMANCE AREA: ACCOUNTABILITY PERFORMANCE - SPOMA (WEIGHT 10%) (cont.)															
Support for management of organisational change	Support for managing organisational change, including staff engagements, communications, service compacts, etc,	Implement Change management as per the approved plan Weight 30%	- The business is currently facing challenges in filling critical positions due to a moratorium on hiring imposed by Johannesburg City. - As part of the Turnaround Strategy, Billing functions have been approved for transfer to the entity from COJ RSSC. S197 transfers are expected to be completed by June 2025 for Johannesburg Water to commence with full function billing to achieved SPOMA. - A framework for organizational change management developed. Framework guides related change management activities. Specifically, the change sponsor plan for business leadership to be adopted and the appointment and training of change agents from the various business units to be conducted.	- Organisational Change Management Programme designed and approved by board, with necessary change management capacity introduced. (50%) - Organisational Review exercise to be completed and recommendations to be adopted by board (50%)	A/T	A/T	A/T	Organisational Change Management Program designed and approved by board, with necessary change management capacity introduced. Organisational Review exercise to be completed and recommendations to be adopted by board	Implement recommendations from the organisational review exercise, supported by the approved change management programme and change management capacity that is introduced.	Monitoring and evaluation of the Change Management Programme and adjustments effected as necessary	Monitoring and evaluation of the Change Management Programme and adjustments effected as necessary	Monitoring and evaluation of the Change Management Programme and adjustments effected as necessary	Monitoring and evaluation of the Change Management Programme and adjustments effected as necessary	HR & CS	3
KEY PERFORMANCE AREA: ACCOUNTABILITY PERFORMANCE (WEIGHT 10%)															
Customer surveys	Regular metro-wide customer satisfaction surveys (to inform Customer Care Management Plan) show improvement in customer satisfaction towards benchmark	Percentage customer satisfaction Weight 20%	71.1%	71.1%	A/A	A/T	A/T	71.1%	71.3%	71.6%	72%	72.2%	72.4%	SRC	4

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
KEY PERFORMANCE AREA: ACCOUNTABILITY PERFORMANCE (WEIGHT 10%) (cont.)															
Financial Accounting - mSCOA compliance	mSCOA compliance as per the minimum business processes and system requirement articulated in Annexure B of MFMA Circular 80	Percentage Implementation against COJ implementation plan Weight 20%	Non Compliant	40%	10%	20%	30%	40%	60%	80%	90%	100%	100%	OCFO	5
Public procurement transparency	Procurement plans are actively managed, and projects delivered according to the plan; All open tender opportunities are advertised, bidders list published, tender awards made, and contracts signed, on National Treasury (NT) eTenders, all within 10 days of event	Audit Outcome on SCM Weight 20%	- Fully compliant SCM processes - Clean Audit on SCM - Approved Turnaround for SCM to improve efficiency/effectiveness	100% full compliance with SCM prescripts with full implementation of Turnaround Program deliverable due	A/T	A/T	A/T	100% full compliance with SCM prescripts with full implementation of Turnaround Program deliverable due	100% full compliance with SCM prescripts with full implementation of Turnaround Program deliverable due.	100% full compliance with SCM prescripts	100% full compliance with SCM prescripts	100% full compliance with SCM prescripts	100% full compliance with SCM prescripts	OCFO	6
Capital Budget Execution	This measures how effectively an organization or public sector entity manages and executes investment projects to achieve its objectives.	Percentage capital budget spending Weight 20%	98%	95%	10%	35%	65%	95%	95%	95%	95%	95%	95%	OCOO	7
Core technical & management capacity	Measures to build internal technical and management capacity, including technical management of contracted/ outsourced services Skills audit Fund and fill essential posts Technical competence development	Number of core technical & management capacity provided internally Weight 20%	(58) 9 Pr Eng 38 Pr Tech Eng 7 Pr Techni 4 Environmental Scientists at Johannesburg Water	(73) 12 Pr Eng 42 PrTech Eng 12 Pr Techni 7 Env Sc Balance of requirements Out-sourced to external Panel (PSPs)	A/T	A/T	A/T	73) 12 Pr Eng 42 PrTech Eng 12 Pr Techni 7 Env Sc Balance of requirements Out-sourced to external Panel (PSPs)	(85) 14 Pr Eng 44 PrTech Eng 18 Pr Techni 9 Env Sc Balance of requirements Out-sourced to external Panel (PSPs)	(103) 17 Pr Eng 46 PrTech Eng 30 Pr Techni 10 Env Sc Balance of requirements Out-sourced to external Panel (PSPs)	(120) 20 Pr Eng 48 PrTech Eng 42 Pr Techni 10 Env Sc Balance of requirements Out-sourced to external Panel (PSPs)	(138) 23 Pr Eng 50 PrTech Eng 55 Pr Techni 10 Env S Balance of requirements Out-sourced to external Panel (PSPs)	152 25 Pr Eng 50 PrTech Eng 67 Pr Techni 10 Env S Balance of requirements Out-sourced to external Panel (PSPs)	OCOO	8

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
KEY PERFORMANCE AREA: FINANCIAL PERFORMANCE (WEIGHT 30%)															
Financial viability OCCR	OCCR = operating revenue / operating expenses (excluding interest and depreciation)	Financial viability OCCR Ratio Weight 15%	1.05	1.18	1.18	1.18	1.18	1.18	1.22	1.28	1.60	1.71	1.84	OCFO	9
Cash collection rate	Cash collected / invoiced revenues per month	Percentage cash collected / invoiced revenues per month Weight 20%	75.70%	74.84%	74.84%	74.84%	74.84%	74.84%	75.36%	75.87%	84.0%	85.0%	87.0%	OCFO	10
Operational cash flow	Cash available after operating expenses (excl interest & depr)	Amount of cash available after operating expenses (excl interest & depr) Weight 15%	1,226,616	2,507,674	269,585	539,169	808,754	2,507,674	2,822,373	3,358,801	5,988,600	7,367,182	8,804,401	OCFO	11
Customer debt management - debtors' days	Net customer debtors / annual customer billings x 365	Number of Customer debtors' days Weight 15%	86 days	65 Days	65 days	65 days	65 days	65 Days	62 days	60 days	56days	53 days	49 days	OCFO	12
Infrastructure spending (capex)	Level of actual Trade Services (TS) CAPEX	Rand value of Capex Spent Weight 20%	1,064,790	1,703,880	173,388	613,858	962,452	1,703,880	1,960,127	1,984,508	2,283,885	2,887,364	2,986,095	OCFO	13
Self-financing ratio	Cash flow from operations / CAPEX (additions to PPE)	Self-financing ratio Weight 15%	1.15	1.43	1.43	1.43	1.43	1.43	1.44	1.69	2.62	2.55	2.95	OCFO	14
OPERATIONS - WATER AND SANITATION (WEIGHT 40%)															
Water Security – system input volume as % raw water allocation	The bulk water system input volume versus the permitted raw water allocation volume.	Volume of average total daily water demand Weight 10%	1 782MI/d	1 650MI/d	1 650MI/d	1 650MI/d	1 650MI/d	1 650MI/d	1 600MI/d	1 550MI/d	1 500MI/d	1 450MI/d	1 450MI/d	OCFO	15
Drinking Water Systems - Blue Drop	The latest available Blue Drop PAT (BDP) assessment results. Based on DWS audit of water supply system incl physical inspections.	Percentage Blue Drop PAT (BDP) assessment results based on DWS audit of water supply system incl physical inspections. Weight 10%	95%	98%	A/T	A/T	A/T	98%	98%	98%	98%	98%	98%	OCFO	16

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
OPERATIONS - WATER AND SANITATION (WEIGHT 40%) (cont.)															
Waste Water Treatment Systems - Green Drop	The latest available Green Drop assessment results. Based on DWS audit of entire value chain of municipal WW services.	Percentage Green Drop assessment results based on DWS audit of entire value chain of municipal WW services. Weight 10%	73%	78%	A/T	A/T	A/T	78%	81%	85%	89%	94%	98%	OCOO	17
Wastewater Final Effluent Quality	Wastewater Quality Compliance as Percentage of specified licence/ permit/ authorisation requirements tested pa.	Percentage final effluent compliance in all WWTW Weight 5%	76.10%	80%	80%	80%	80%	80%	90%	92%	95%	95%	95%	OCOO	18
Water Network performance – mains failures / 100 km	Number of water mains failures per 100km of mains pipe per year.	Number of water pipe bursts per 100 km of network length Weight 10%	402.36	380	200	250	300	380	370	360	350	340	330	OCOO	19
Sewer Network performance – blockages / 100 km	Number of blockages per 100km of sewer length per year.	Number of sewer blockages per 100 km of network length Weight 10%	464.66	450	131	262	393	450	440	430	420	410	400	OCOO	20
Physical water loss - Infrastructure Leak Index	Infrastructure Leakage Index (ILI).	Infrastructure leakage index Weight 5%	10.1	9	9	9	9	9	8	8	7	7	6	OCOO	21
Water Service Complaints Response percentage in 48 hours	Percentage of callouts responded to within 48 hours (water).	Percentage water bursts restored within 48 hours of notification. Weight 10%	67.46%	90%	90%	90%	90%	90%	92%	95%	95%	95%	95%	OCOO	22
Sewer Service Complaints Response % in 48 hours	Percentage of callouts responded to within 48 hours (sanitation/ wastewater).	Percentage sewer blockage cleared within 48 hours of notification Weight 10%	92.67%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	OCOO	23

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
OPERATIONS - WATER AND SANITATION (WEIGHT 40%) (cont.)															
Non-Revenue Water	Percentage non-revenue water as per IWA water balance guidelines and NT guidance document.	Percentage Non-Revenue Water Weight 10%	46.1%	44.58%	46.10%	45.50%	45.00%	44.58%	41.66%	38.94%	36.73%	34.98%	34.98%	OCOO	24
Metering performance	Number of metered properties where billing takes place monthly based on actual readings.	Percentage actual water meter readings submitted to bill Weight 10%	85.36%	92%	92%	92%	92%	92%	93%	94%	95%	96%	96%	OCFO	25
OPERATIONS - UTILITY MANDATE (WEIGHT 10%)															
Percentage compliance with drinking water quality standard on E. Coli (SANS 241)	Percentage of drinking water samples complying with the SANS 241 E. Coli standard to the number of drinking water samples taken.	Percentage compliance with drinking water quality standard on E. Coli (SANS 241) Weight 10%	99.20%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	OCOO	25
Number of additional households provided access to basic water at minimum LoS 1 in informal Settlements.	A basic water service refers to the provision of water in informal settlements through the installation of communal /yard standpipes.	Number of additional households provided access to basic water at minimum LoS 1 in informal Settlements. Weight 20%	927	800	0	250	500	800	2 000	2 000	2 000	2 000	2 000	OCOO	27
Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements.	A basic sanitation service refers to the provision of sanitation in informal settlements through the installation of VIPs, ablution blocks, waterborne sewer system.	Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements. Weight 20%	0	2 300	0	750	1500	2 300	3 050	3 450	3 500	3 500	3 500	OCOO	28
Renewal rate of water and sewer networks and WWTW based on value	Measurement of renewal of the asset base to prevent failure and ensure efficient service delivery	Renewal rate of water and sewer networks and WWTW based on value Weight 10%	0.58%	0.86%	0.08%	0.30%	0.56%	0.86%	0.91%	0.87%	1.10%	1.20%	1.2%	COO	29

ITEM NAME	ITEM DESCRIPTION	KEY PERFORMANCE INDICATOR	BASELINE/STARTING POINT 2023/24	TARGET 2025/26	Q1	Q2	Q3	Q4	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	TARGET 2030/31	OWNER	REF#
OPERATIONS - UTILITY MANDATE (WEIGHT 10%)															
Percentage total B-BBEE procurement spent on qualifying SMMEs.	The purpose is to determine the B-BBEE procurement spend percentage within this SMME group and an achievement of at least 125%. It also indicates that most of the SMME suppliers used by the entity are Level 2, which equates to 125% B-BBEE recognition.	Percentage total B-BBEE procurement spent on qualifying SMMEs. Weight 10%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	CFO	30
Audit opinion issued by AGSA	The indicator is indicative of the resolution rate of internal Audit and AGSA finding	Audit opinion issued by AGSA. Weight 10%	Unqualified audit opinion	Clean audit opinion issued by AGSA	Annual target	Annual target	Annual target	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	CFO	31
Percentage of female employees	The indicator is indicating the total number of female employees as a total number of staff complement in percentage	Percentage of female employees Weight 10%	36.34%	40%	37.8%	37.75%	38.13%	40%	41.4%	43%	43%	43% f	43%	HR&CS	32
Disabling injury frequency rate	Disabling injury frequency rate intends to calculate the rate at which employees are injured while executing their duties. The target is ≤ 1.5	Disabling injury frequency rate Weight 10%	1.17	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	HR&CS	33

Table 33: Entity KPIs budgets

KEY PERFORMANCE INDICATOR	REF	BASELINE 2023/24	2025/26 TARGET	2025/26 BUDGET PER PROJECT R'000					
				TOTAL BUDGET		QUARTERLY BUDGET TARGET CAPEX AND OPEX			
				CAPEX R'000	OPEX R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Develop financial Model and B&I plan	1.	Budget envelope determined by current Financial Development Plan (FDP)	Development of Consolidated Group financial model that incorporates the entity Financial Model and Business Plan Enhancement programme	N/A					
Report AFS for the entity separate from CoJ	2.	- GRAP Compliant AFS being produced. - Integrated Annual Report being produced. - Flows and Balances Report to be developed.	- Maintain GRAP Compliant AFS being produced (40%) - Maintain Integrated Annual Report being produced (30%) - Develop and obtain approval together with COJ and NT Flows and Balances Report (30%)	N/A					
Implement Change management as per the approved plan	3.	- The business is currently facing challenges in filling critical positions due to a moratorium on hiring imposed by Johannesburg City. - As part of the Turnaround Strategy, Billing functions have been approved for transfer to the entity from COJ RSSC. S197 transfers are expected to be completed by June 2025 for Johannesburg Water to commence with full function billing to achieve SPOMA. - A framework for organizational change management developed. Framework guides related change management activities. Specifically, the change sponsor plan for business leadership to be adopted and the appointment and training of change agents from the various business units to be conducted.	- Organisational Change Management Programme designed and approved by board, with necessary change management capacity introduced. (50%) - Organisational Review exercise to be completed and recommendations to be adopted by board (50%)	N/A					
Percentage customer satisfaction	4.	71.1%	71.1%	N/A	-	-	-	-	-
Percentage Implementation against COJ implementation plan	5.	Non-compliant	40%	N/A	-	-	-	-	-
Audit Outcome on SCM	6.	- Fully compliant SCM processes - Clean Audit on SCM - Approved Turnaround for SCM to improve efficiency/effectiveness	100% full compliance with SCM prescripts with full implementation of Turnaround Programme deliverable due	N/A	-	-	-	-	-
Percentage capital spending	7.	98%	95%	1,753,880	-	173,388	613,858	962,452	1,753,880

KEY PERFORMANCE INDICATOR	REF	BASELINE 2023/24	2025/26 TARGET	2025/26 BUDGET PER PROJECT R'000					
				TOTAL BUDGET		QUARTERLY BUDGET TARGET CAPEX AND OPEX			
				CAPEX R'000	OPEX R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Number of core technical & management capacity provided internally	8.	(58) 9 Pr Eng 38 Pr Tech Eng 7 Pr Techni 4 Environmental Scientists at Johannesburg Water	(73) 12 Pr Eng 42 PrTech Eng 12 Pr Techni 7 Env Sc Balance of requirements Out- sourced to external Panel (PSPs)	N/A	-	-	-	-	-
Financial viability OCCR	9.	1.05	1.18	N/A	-	-	-	-	-
Percentage cash collected / invoiced revenues per month	10.	75.70%	74.84%	N/A	-	-	-	-	-
Amount of cash available after operating expenses (excl interest & depr)	11.	1,226,616	2,507,674	N/A	1,078,338	269,585	539,169	808,754	1,078,383
Number of Customer debtors' days	12.	86 days	65 Days	N/A	-	-	-	-	-
Rand value of Capex Spent	13.	1,064,790	1,703,880	1,73,880	-	173,388	613,858	962,452	1,703,880
Self-financing ratio	14.	1.15	1.43	N/A	-	-	-	-	-
Volume of average total daily water demand	15.	1 762MI/d (2024/25 mid-year)	1650MI/d	270,000	76,000				346,000
Percentage Blue Drop assessment results based on DWS audit of water supply system incl physical inspections.	16.	95%	98%	N/A	10,428 559	2,607 139	2,607,140	2,607 139	2,607 139
Percentage Green Drop assessment results based on DWS audit of entire value chain of municipal WW services.	17.	73%	78%	630,109	150,000	165,000	165,000	150,000	630,109
Percentage final effluent compliance in all WWTW	18.	76.10%	80%	630,109	150,000	165,000	165,000	150,000	630,109
Number of water pipe bursts per 100 km of network length	19.	402.36	380	252,000	164,261	63,000	126,000	189,000	252,000
Number of sewer blockages per 100 km of network length	20.	464.66	450	168,000	172,945	42,000	84,000	125,000	168,000
Infrastructure leakage index	21.	10.1	9	246,587	728,000	243,467	487,294	730,940	974,587
Percentage water bursts restored within 48 hours of notification.	22.	67.46%	90%	0	476,500	119,100	238,250	357,350	476,500

KEY PERFORMANCE INDICATOR	REF	BASELINE 2023/24	2025/26 TARGET	2025/26 BUDGET PER PROJECT R'000					
				TOTAL BUDGET		QUARTERLY BUDGET TARGET CAPEX AND OPEX			
				CAPEX R'000	OPEX R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Percentage sewer blockage cleared within 48 hours of notification	23.	92.67%	95%	0	317,600	79,400	158,800	238,200	317,600
Percentage Non-Revenue Water	24.	46.1%	44.58%	270,000	76,000	90 500	137,000	209,500	346,000
Percentage actual water meter readings submitted to bill	25.	85.36%	92%	6,200	93,000	25,000	30,000	30,000	99,600
Percentage compliance with drinking water quality standard on E. Coli (SANS 241)	26	99.20%	99%	0	17,600	4,400	8,800	13,200	17,600
Number of additional households provided access to basic water at minimum LoS 1 in informal Settlements.	27	927	800	30,000	0	5,000	10000	15,000	30,000
Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements.	28	0	2,300	0	71,000	5,000	17,000	35,000	71,000
Renewal rate of water and sewer networks and WWTW based on value	29	0.58%	0.86%	1,525,876	-	152,588	534,056	991,819	1,525,876
Percentage total B-BBEE procurement spent on qualifying SMMEs.	30	133%	133%	N/A	-	-	-	-	-
Audit opinion issued by AGSA.	31	Unqualified audit opinion	Clean audit opinion issued by AGSA	N/A	-	-	-	-	-
Percentage female employees	32	36.34%	40%	N/A	-	-	-	-	-
Disabling injury frequency rate	33	1.17	1.5	0	8, 690	2,100	4,300	6,500	8,690

Note 1: Not Applicable, part of the day-to-day running of the entity and it's a shared budget.

4.2.4 KPI definition

Table 34 indicates the KPI definition, calculation formula and the means of verification.

Table 34: KPI definitions

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
1.	Financial Model and B&I plan developed, approved and implemented	MTS financial model developed and used to inform strategic financial/business operations	Capex & opex funding of MTSR initiatives evident in budget docs GRAP19 accounting, where applicable Explicit acknowledgement of amounts are maxima subject to performance Explicit breakage clauses re SPoMA, governance, funding, tariffs, etc.	Financial Model and B&I plan reports	Financial Model and B&I plan implemented	No limitation	Non-Cumulative	Annually	Yes	N/A	OCFO
2.	Report AFS for the entity separate from CoJ	Statement of key centre/ trading services flows & balances: grant shares, capex funding, revenue proceeds, inter-departmental overheads charged, cash balances, receipts and payments, etc.	Pre-audited) AFS Signed by Trading Unit CFO and CM Annual report Management reports signed by HOD and CM	AFS for the entity reported separate from CoJ	AFS for the entity	No limitation	Non-Cumulative	Annually	Yes	N/A	OCFO
3.	Implement Change management as per the approved plan	Support for managing organisational change, including staff engagements, communications, service compacts, etc, etc	Appointment letter Change plan Progress reports Must demonstrate effective capacity for org change (skills, culture, morale, performance) and new service compacts	Change plan reports	Change plan Progress quarterly reports	No limitation	Cumulative	Quarterly & annually	Yes	N/A	HR&CS

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
4.	Percentage customer satisfaction	Regular metro-wide customer satisfaction surveys (to inform Customer Care Management Plan) show improvement in customer satisfaction towards benchmark	Survey report Signed by HoD: MTS Increase to 80% over longer term Potentially a Circular 88 indicator	Identified sample through door to door, Focus Group Discussions and telephonic interviews.	Actual achieved. Satisfaction level based on the results of a survey conducted independently by the achieved and the KPI will be determined by the actual satisfaction level.	No limitation	Non-Cumulative	Annually	N/A	Market and Market Research	SRC
5.	Percentage Compliance to mSCOA	The mSCOA compliance technical indicator evaluates a Trading Services Business Unit or Entity's alignment with the prescribed standards for financial accounting, reporting, and internal controls (minimum business processes and system requirements) as articulated in Annexure B of MFMA Circular No. 80	mSCOA compliance ensures that the business unit's financial systems, processes, and reporting mechanisms meet the requirements outlined in the Minimum Business Processes and Systems Requirements (MBPSR). Such compliance re-enforces the Metro Trading Service Reform programme by offering the easiest and only feasible way for metros to achieve financial transparency requirements (M5).	mSCOA compliance report as per the minimum business processes and system requirement articulated in Annexure B of MFMA Circular 80	City Manager (Accounting Officer) certificate of mSCOA compliance, confirmed / counter-signed by NT mSCOA team	No limitation	Cumulative	Quarterly and annually	Yes	N/A	OCFO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
6.	Compliance with SCM prescripts and Policy	Procurement plans are actively managed, and projects delivered according to the plan; All open tender opportunities are advertised, bidders list published, tender awards made, and contracts signed, on NT eTenders, all within 10 days of event	Generation of audited data strings (PAUD, AUDA, RAUD) from integrated system solution Module or sub-system used to seamlessly integrate to core integrated system solution used by Metro as required i.t.o mSCOA Regulations (no manual integration).	At a minimum, this indicator requires compliance with statutory regulations regarding procurement transparency: that all TS tender opportunities are advertised, and bidders' lists, tender awards and contracts signed are all published according to regulations. Trading Services should however take steps to improve their procurement transparency beyond the minimum. Such steps should include use of a reliable e-procurement portal as regulated, and comprehensive disclosure of all procurement information, presented in an accessible manner, on a well-maintained, up-to-date website.	Plan implementation	No limitation	Non-Cumulative	Quarterly and annually	Yes	N/A	OCFO
7.	Capital Budget Execution	This measures how effectively an organization or public sector entity manages and executes investment projects to achieve its objectives.	AFS, annual reports, management reports	Monthly Reporting and AFS	Actual expenditure/annual capital budget X 100.	No limitation	Non-Cumulative	Quarterly and annually	Yes	Capex	OCFO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
8.	Number of core technical & management capacity provided internally	Measures to build internal technical and management capacity, including technical management of contracted/ outsourced services Skills audit Fund and fill essential posts Technical competence development	No of Engineering Council of SA (ECSA) Professional Engineers Registered Technologists Registered Technicians Environmental Scientists per 100 k pop (in license area), appointed in terms of gender equity policy % of critical vacancies filled	HR Reports and escalation based on COO's Departmental needs	No of Projects & Budgets available for IPAM, CAPEX, BWW, Networks, WDM	No limitation	Cumulative	Quarterly and annually	Yes	Opex	OCOO
9.	Financial viability (OCCR)	OCCR = operating revenue / operating expenses (excluding interest and depreciation)	AFS, annual reports, management reports	Monthly Reporting and AFS	OCCR = (gross profit + equitable share)/ (operating expenses – depreciation)	No limitation	Non-Cumulative	Quarterly and annually	Yes	N/A	OCFO
10.	Percentage cash collected / invoiced revenues per month	Cash collected / invoiced revenues per month	FS (A1 & C71 ratios populated from mSCOA audit data strings (reports available on LGDRS)	Monthly reporting and AFS	Cash collected / invoiced revenues per month	No limitation	Cumulative	Quarterly and annually	Yes	N/A	OCFO
11.	Amount of cash available after operating expenses (excl interest & depr)	Cash available after operating expenses (excl interest & depr)	The purpose is to measure the availability of cash to invest in the business	Monthly reporting and AFS	Cash available after operating expenses (excl interest & depr)	No limitation	Cumulative	Quarterly and annually	Yes	N/A	OCFO
12.	Number of Customer debtors' days	Net customer debtors / annual customer billings x 365	The purpose is to measure customer debt management	Monthly reporting and AFS	Net customer debtors / annual customer billings x 365	No limitation	Cumulative	Quarterly and annually	Yes	N/A	OCFO
13.	Rand value of Capex Spent	Level of actual TS CAPEX	The purpose is to indicate the capital budget spend against the allocated budget in percentage	Expenditure reports drawn from SAP system and approved capex allocation/ budget	To achieve the KPI target	No limitation	Cumulative	Quarterly and annually	No	Capex-Projects	OCOO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
14.	Self-financing ratio	Cash flow from operations / CAPEX (additions to PPE)	(Pre-audited) AFS Signed by metro & Trading Unit CFO and HOD	Monthly reporting and AFS	Cash flow from operations / CAPEX (additions to PPE)	No limitation	Cumulative	Quarterly and annually	Yes	Opex	OCFO
15.	Volume of average total daily water demand	The bulk water system input volume versus the permitted raw water allocation volume.	C88, WS4.11 expanded Permitted water use allocations are regularly determined by the DWS facilitated water reconciliation strategies, which reconcile all available (surface and groundwater) water resources, with current use requirements. This allocation, in the form of a Water Use License or Government Notice of restrictions or directives to curtail use, also applies to water service providers such as Water Boards.	IWA Water balance	IWA Water balance	No limitation	Cumulative	Annually	Yes	Capex-Projects	OCOO
16.	Percentage Blue Drop assessment results based on DWS audit of water supply system incl physical inspections.	The latest available Blue Drop assessment results. Based on DWS audit of water supply system incl physical inspections.	Blue Drop certification programme seeks to identify and develop the core competencies required for the sector that, if strengthened, will gradually and sustainably improve the level of drinking water management in South Africa	The required portfolio of evidence (PoE) for the audit, i.e., Documentation on sampling and analysis results. Technical interviews and site inspections	Audit Scorecard was designed to consider evidence against 5 Key Performance Areas (KPA's): 1.Capacity Management 2.Drinking Water Quality Risk Management 3.Financial Management 4.Technical Management 5.Drinking Water Quality Compliance.	No limitation	Blue drop assessment score sheet.	Biennial	Yes	Capex & Opex	OCOO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
17.	Percentage Green Drop assessment results based on DWS audit of entire value chain of municipal WW services.	The latest available Green Drop assessment results. Based on DWS audit of entire value chain of municipal WW services.	To evaluate wastewater management systems through incentive-based regulation, rewarding excellence ($\geq 90\%$ scores) while penalising poor performance, to drive compliance with environmental standards and protect public health.	Operational metrics. Technical skills Documentation Sampling and analysis results. Technical interviews and site inspections	Five KPA's defined by the Regulator, including bonus points and penalties	None	Green drop assessment score sheet.	Biennial	Yes	Capex & Opex	OCOO
18.	Percentage final effluent compliance in all WWTW	The overall percentage compliance of the wastewater treatment plants to the compliance parameters as stipulated in their individual water use licences.	Percentage of Wastewater Quality Compliance to specified licence/permit/ authorisation requirements tested during the municipal financial year. The percentage is calculated on the basis of aggregated results per Water Use License determinant.	The information comes from a system-generated effluent quality LIMS reports and Excel calculation sheets. It is collected through sampling, analysis and reporting of results for effluent samples.	Total number of daily samples per works per indicator per month complying with the limit in the water use licence) / (total number of daily samples per works per indicator per month) $\times 100\%$ = percentage monthly compliance per works per indicator in the water use licence	Strikes and service delivery protests. No access to sampling points. Unavailability of sampling equipment	Cumulative	Quarterly and annually	No	Operations overheads, Quality Assurance, Laboratory Support, Scientific services cost centres	OCOO
19.	Number of water pipe bursts per 100 km of network length	Frequency of water bursts being experienced as an indication of water infrastructure performance and condition.	Number of water mains failures per 100km of mains pipe per year. "Mains" refers to all transmission and distribution pipes for water, the ownership of which is vested in the municipality for the purpose of conveying water to consumers.	System-generated operational indicator report, IMQS infrastructure lengths, Excel calculation sheet and SAP Dataset for work orders received (Excel spreadsheet)	(A) Number of works orders received R&M mains + number of work orders received R&M valves and hydrants (B) Total length of water mains/100 C) A/B = number of bursts per 100 km	No limitation	Cumulative	Quarterly and annually	Quarterly and annually	Opex, Salaries and allowances budget for labour and Total Stores issues for spares	OCOO
20.	Number of sewer blockages per 100 km of network length	Frequency of sewer blockages being experienced as an indication of the sewer infrastructure performance and condition.	Number of blockages in sewers per 100km of sewer length per year. Blockages are defined as reported or logged blockages that result in an obstruction of system flow which may be caused by roots, obstructive items or other pipeline disruption.	System-generated operational indicator report, IMQS infrastructure lengths Excel calculation sheet and SAP Dataset for work orders received (Excel spreadsheet)	(A) Number of work orders received on sewer main blockages (B) Total length of sewer mains/100 (C) A/B = number of blockages per 100 km	No limitation	Cumulative	Quarterly and annually	No	Opex, R&M Vacuum tankers	OCOO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
21	Infrastructure leakage index	The infrastructure leakage index is derived from the structural and operational characteristics of the entire water infrastructure network. It is measured in terms of the real water loss from the supply network of physical distribution systems.	The infrastructure leakage index is derived from the structural and operational characteristics of the entire water infrastructure network. It is measured in terms of the real water loss from the supply network of physical distribution systems.	Excel calculation sheet.	(1) Current annual real water losses in the network / (2) Unavoidable annual real water losses	No limitation	Cumulative	Annually	No	Opex (Network and WDM budget) Capex (WDM)	OCOO
22.	Percentage water bursts restored within 48 hours of notification.	The percentage of water bursts repaired within 48 hours to the number of water bursts reported as one of the service delivery functions linked to customer satisfaction.	Percentage callouts (outages inclusive of complaints logged over outages) responded to within 48 hours (water). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification	System-generated operational indicator report, IMQS infrastructure lengths Excel calculation sheet System-generated operational indicator report, IMQS infrastructure lengths, Excel calculation and SAP Dataset (Excel spreadsheet)	(A) Number of work orders completed (major and minor bursts) in time (B) Number of work orders received (major and minor bursts) $A/B \times 100\% = \text{percentage response time}$	No limitation	Cumulative	Quarterly and annually	No	Salaries and allowances for labour. R&M line items for repairs/spares	OCOO
23.	Percentage sewer blockage cleared within 48 hours of notification	The percentage of sewer blockages cleared within 48 hours to the number of sewer blockages reported as one of the service delivery functions linked to customer satisfaction.	Percentage callouts (inclusive of outages logged with the municipality and complaints related to outages) responded to within 48 hours (sanitation/ wastewater). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification.	System-generated operational indicator report, IMQS infrastructure lengths Excel calculation sheet System-generated operational indicator report, IMQS infrastructure lengths, Excel calculation and SAP Dataset (Excel spreadsheet)	Number of work orders completed (sewer main blockages) in time (B) Number of work orders received (sewer main blockages) $A/B \times 100\% = \text{percentage response time}$	No limitation	Cumulative	Quarterly and annually	No	Salaries and allowances for labour. R&M line items for repairs/spares plus Contractors: Vacuum tankers for jetting (clearing blockage)	OCOO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
24.	Percentage Non-Revenue Water	Percentage reduction of the three components of NRW, including physical (real) losses, commercial (apparent) losses and authorised, unbilled metered and non-metered consumption.	Non-revenue water is defined as the sum of unbilled authorised consumption, apparent losses (unbilled unauthorised consumption and meter inaccuracies) and real losses (from transmission mains, storage facilities, distribution mains or service connections).	CoJ's zone water balance. Excel calculation sheet.	Using sum of prior 12 months moving data (A), total system input volume (B), billed metered consumption(C), billed unmetered consumption (D), unbilled unmetered consumption (E), $(A - B - C)/A \times 100 = \text{percentage NRW (F)}$, $(A - B - C - D)/A \times 100 = \text{percentage water losses (G)}$, $(28\% \times F)/A \times 100 = \text{percentage apparent losses (commercial losses) (H)}$, $F - G = \text{percentage real losses (physical losses) (I)}$ $D/A \times 100\% = \text{percentage unbilled unmetered consumption (commercial losses) (J)}$, $G + I = \text{percentage commercial losses.}$	No limitation	Cumulative	Annually	No	Opex (Network and WDM budget) Capex (WDM)	OCOO
25.	Percentage actual water meter readings submitted to bill	Percentage of actual water meter readings submitted to bill	The KPI measures the number of actual meter readings submitted for billing, to ensure billing accuracy which will in effect result in increased revenue collection.	Meter Reading System Export	Number of actual water meter readings submitted to CoJ to bill / Number of water meters downloaded from the CoJ's billing system $\times 100\% = \text{percentage}$	Inability to submit a reading on some technical faults where a reading could be obtained and used (e.g., meter covered, meter inside the property)	Non-cumulative	Quarterly and annually	No	OPEX (Metering & Revenue) CAPEX (IT)	OCFO
26.	Percentage compliance with drinking water quality standard on E. Coli (SANS 241)	Percentage of drinking water samples complying with the SANS 241 E. Coli standard to the number of drinking water samples taken.	Indicator is intended to show compliance with public safety with drinking water that is piped to households	System-generated drinking water quality report on LIMS	(A) Number of tests complying (B) Number of tests (C) $A/B \times 100\% = \text{percentage compliance}$	Strikes and service delivery protests. No access to sampling points	Cumulative	Quarterly and annually	No	Operations Support overheads, Quality Assurance, Laboratory Support, Scientific services cost centres	OCOO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
27.	Number of additional households provided access to basic water at minimum LoS 1 in informal Settlements.	A basic water service refers to the provision of water in informal settlements through the installation of communal / yard standpipes.	Number of households provided access to basic water service	- Completion certificates - Handover Letter to Operations - Listing of the Households physically counted	Physical counting of the number of households provided access to basic water service	Some households may be removed/relocated after the counting of the household that have been provided with access to basic water. However, if they were removed/ relocated outside the project area and after the physical counting, then they are recoded as having been provided with basic service.	Cumulative	Quarterly and annually	No	Capex – Projects	OCOO
28	Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements.	A basic sanitation service refers to the provision of sanitation in informal settlements through the installation of VIPs, ablution blocks, waterborne sewer system.	Service delivery providing the right to access sanitation in line with the Constitution.	- Completion certificates - Handover Letter to Operations - Listing of the Households physically counted	Physical counting of the number of households provided access to basic sanitation service	Some households may be removed/relocated after the counting of the household that have been provided with access to basic sanitation. However, if they were removed/ relocated outside the project area and after the physical counting, then they are recoded as having been provided with basic sanitation service.	Cumulative	Quarterly and annually	No	CAPEX-Projects Opex – Contractors General	OCOO
29	Renewal rate of water and sewer networks and WWTW based on value	Renewal rate of water and sewer networks and WWTW based on value	Measurement of renewal of the asset base to prevent failure and ensure efficient service delivery	Related expenditure extracted from SAP recorded on Excel spreadsheet for renewal rate calculation based on asset value	Percentage renewal rate = total cost of infra-structure renewal expenditure divided by (Total Asset replacement cost) x 100%	No limitation	Cumulative	Monthly, quarterly and annually	No	Capex-Projects	OCOO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
30	Percentage total B-BBEE procurement spent on qualifying SMMEs.	The definition of the formula is to calculate the B-BBEE procurement spend percentage for qualifying SMMEs (i.e. EMEs and QSEs) in the said category. It is the B-BBEE procurement spend value recognised for qualifying SMMEs, which comprises the total measured procurement spend for each supplier in this category with a valid B-BBEE scorecard/ certificate or affidavit divided by the overall value of goods and services procured within the relevant financial year, comprising operational and capital expenditure. EMEs are all exempted micro enterprises with a turnover of less than R10 million and QSEs are qualifying small enterprises with a turnover of between R10 and R50 million.	The purpose is to determine the B-BBEE procurement spend percentage within this SMME group and an achievement of at least 125%. It also indicates that most of the SMME suppliers used by the entity are Level 2, which equates to 125% B-BBEE recognition.	Reports drawn from SAP and downloaded onto Excel spreadsheet.	$A = B/C \times 100\%$ (A) = The percentage total of B-BBEE procurement spend on qualifying SMMEs (B) = Sum total of individual SMMEs procurement spend for the reporting period multiplied by the applicable B-BBEE recognition level per qualifying SMME (C) = Total procurement spends for all qualifying SMMEs for the reporting period. Total B-BBEE procurement spend.	If ERP (SAP) has a down-time, information cannot be extracted from SAP	Cumulative	Monthly, quarterly and annually	No	Opex, - R&M Budget	CFO
31.	Audit opinion issued by AGSA.	The financial statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation.	The indicator is indicative of the organisation's financial governance in terms of audit standards.	AGSA Audit Report.	An audit opinion is issued by the AGSA by means of a final audit report.	There are no data limitations.	Non-cumulative	Annually.	No	N/A	CFO

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	SHORT DEFINITION	PURPOSE OR IMPORTANCE	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	SOURCE OF BUDGET	INDICATOR RESPONSIBILITY
32.	Percentage of female employees	The indicator is indicating the total number of female employees as a total number of staff complement in percentage.	SAP HRIM system reports	Number of female employees/ total staff complement x 100	None	None	Cumulative	Quarterly and annually	No	Salaries Budget	EM: HR and CS
33.	Disabling injury frequency rate	Disabling injury frequency rate intends to calculate the rate at which employees are injured while executing their duties. The target is ≤ 1.5	Data comes from the work-related injuries (injury on duty) and the Company's man hours	Excel spreadsheet.	DIFR = number of disabling injuries x 200 000/ Total man-hours worked	None	Cumulative	Quarterly and annually	No	N/A - the KPI does not require a budget provision.	Manager: Occupational Health and Safety, Environment & Disaster Management

4.2.5 UISP Key Performance Indicators

Table 35: Upgrading Informal Settlements Programme (UISP) key performance indicators and targets.

KPI NO	KEY PERFORMANCE INDICATOR (KPI)/ PREDICTIVE OUTCOME INDICATOR	BASELINE 2023/24	2024/25 Q2 ACTUAL	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28	TARGET 2028/29	TARGET 2029/30	KEY INTERVENTIONS	2025/26 BUDGET (PER PROGRAMME)		2025/26 QUARTERLY TARGETS				MEANS OF VERIFICATION
										CAPEX R'000	OPEX R'000	Q1	Q2	Q3	Q4	
IDP PROGRAMME																
1.	Number of additional households provided access to basic water at minimum LoS 1 in informal Settlements.	927HH	76HH	800HH	2 000HH	2 000HH	2 000HH	2 000HH	Communal/ Yard Standpipes.	30 000	-	0HH	250HH	500HH	800HH	Contractor's completion certificate Handover Letter to Operations Listing of the Households physically counted.
2.	Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements.	0HH	0HH	2300HH	3 050	3 450	3 500	3 50HH	VIP, pour flush and Ablution blocks.	-	71 000	0HH	750HH	1 500HH	2300HH	Contractor's completion certificate Handover Letter to Operations Listing of the Households physically counted.

4.2.6 Circular 88 Indicators Scorecard

Table 36 indicates National Treasury's Circular 88 key performance indicators and targets.

Table 36: Circular 88 indicators (A&B)

A: 2025/26 CIRCULAR 88 OUTCOME INDICATORS								
CIRCULAR 88 OUTCOMES	IDP INDICATOR NO	IDP PERFORMANCE INDICATOR (OUTCOMES)	NATIONAL TREASURY REF NO.	BASELINE ANNUAL PERFORMANCE 2023/24	TARGET FOR (MTREF) (3 YEARS)			TARGET FOR 2027/28
					YR1 24/25	YR2 25/26	YR3 26/27	
WS1. Improved access to sanitation	48	Percentage of households with access to basic sanitation	WS1.1	0%	94.61%	94.71%	94.84%	94.87%
WS2. Improved access to water	49	Percentage of households with access to basic water supply	WS2.1	0%	98.41%	98.44%	98.52%	98.58%
WS.3 Improved quality of water and sanitation services	50	Frequency of sewer blockages per 100kms of pipeline	WS3.1	464.66	450	450	440	430
	51	Frequency of water mains failures per 100kms of pipelines	WS3.2	402.65	400	380	370	360
	52	Frequency of unplanned water service interruptions	WS3.3	70.49	105	105	464	464
WS4. Improved quality of water (incl. wastewater)	53	Percentage of drinking Water samples complying to SANS241	WS4.1	99.2%	99%	99%	99%	99%
	54	Percentage of wastewater samples compliant to the water use license conditions	WS4.2	78.9%	90%	90%	90%	90%
WS5. Improved water sustainability	55	Percentage of non-revenue water	WS5.1	46.1%	46%	44.58%	43.02%	41.51%
	56	Total water losses	WS5.2	226 967 MI	237 416 MI (Q2 actual)	204 270 MI	196 099 MI	188 255 MI
	57	Total per capita consumption of water	WS5.3	261.73 l/c/d	260 l/c/d	252 l/c/d	240l/c/d	224l/c/d
	58	Percentage water reused	WS5.4	1.02%	3%	5%	10%	10%

B: 2025/26 CIRCULAR 88 OUTPUT INDICATORS															
NO	NATIONAL TREASURY PROPOSED INDICATORS	REF NO	2023/24 BASELINE	2024/25 Q2 ACTUAL	2025/26 TARGETS	QUARTERLY TARGETS				TOTAL BUDGET R 000		QUARTERLY BUDGET R 000			
						Q1	Q2	Q3	Q4	CAPEX	OPEX	Q1	Q2	Q3	Q4
56	Number of new sewer connections meeting minimum standards	WS1.11	86	45	150	38	76	114	150	0	54,340	5,000	10,500	19,880	54,340
57	Number of new water connection meeting minimum standards	WS2.11	840	306	1 122	280	560	840	1 122	50 000	0	5,000	20,000	35,000	50,000
58	Percentage of callout responded to within 48 hours (sanitation/wastewater)	WS3.11	92.67%	92.84%	95%	95%	95%	95%	95%	0	317,600	79,400	158,800	238,200	317,600
59	Percentage of callout responded to within 48 hours (water)	WS3.21	67.46%	75.22%	90%	90%	90%	90%	90% of	0	476,500	119,100	238,250	357,350	476,500
60	Percentage of water treatment capacity unused	WS4.11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
61	Percentage of industries with trade effluent inspected for compliance	WS4.21	94.72%	100%	95%	95%	95%	95%	95%	N/A	N/A	-	-	-	-
62	Percentage of wastewater treatment capacity unused	WS4.31	0%	33.33%	5,6%	5,6%	5,6%	5,6%	5,6%	246,587 3	728,000	243,467	487,294	730,940	974,587
63	Infrastructure leakage index	WS5.21	9.87	24	9	9	9	9	9 Infrastructure leakage index	246,587	728,000	243,467	487,294	730,940	974,587
64	Percentage of total water connections metered	WS5.31	76%	29%	85%	78%	80%	83%	85%		476,500	476,500	119,100	238,250	476,500

4.2.7 C88 Definition

Table 37 indicates the C88 definition, Source of data collection, method of calculation and data limitations.

Table 37: C88 definitions

KPI	INDICATOR TITLE	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	BUDGET SOURCE DESCRIPTION	INDICATOR RESPONSIBILITY
1.	Percentage of households with access to basic sanitation	Percentage of households accessing ("using") a toilet facility that meets minimum standards for basic sanitation out of all households within the municipality. Minimum standards are currently defined as either a flush toilet (sewerage system) and/or flush toilet (septic tank), and/or a pit toilet connected to ventilation (VIP).	- Completion certificates - Handover Letter to Operations - Listing of the Households physically counted	((1) Number of households using a flush toilet (connected to sewerage system) + (2) Number of households using a flush toilet (with septic tank) + (3) Number of households using pit toilets with ventilation (VIP)) / (4) Total number of households in the municipality) x 100.	Some households may be removed/relocated after the counting of the household that have been provided with access to basic water. However, if they were removed/relocated outside the project area and after the physical counting, then they are recoded as having been provided with basic service.	- Capex-Projects-CC/GL JSIP Number - Opex – Contractors General -VIP	COO
2.	Number of new sewer connections meeting minimum standards	The total number of new sewer connections (defined as connections to a flush toilet connected to the sewerage system or a septic tank or a VIP toilet) made by the municipality. This is inclusive of new sewer connections to communal facilities that meet basic sanitation standards.	System-generated operational indicator report, IMQS infra-structure lengths and Excel calculation sheet.	The (1) number of new sewer connections to consumer units + (2) the number of new sewer connections to communal toilet facilities. Basic sanitation (meeting minimum requirements) includes sewer connections to either of the following: (1) Flush toilet (sewerage system) or (2) Flush toilet (septic tank) or a (3) pit latrine with ventilation pipe. Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year.	None	Salaries and allowances for labour. R&M line items for repairs/spares plus Contractors: Vacuum tankers for jetting (clearing blockage)	COO
3.	Percentage of households with access to basic water supply	Percentage of households with access to basic water supply, defined as the household's main source of drinking water is piped (tap) water inside dwelling/house, piped (tap) water inside yard, and/or piped water to a community stand: <200 m.	- Completion certificates - Handover Letter to Operations - Listing of the Households physically counted	((1) Number of households with the main source of drinking water (1) piped (tap) water inside dwelling/institution + (2) Number of households with the main source of drinking water piped (tap) water inside yard + (3) Number of households with the main source of drinking water piped (tap) water on community stand: distance less than 200m from dwelling/institution / (4) Total number of households in the municipality) x 100	Some households may be removed/relocated after the counting of the household that have been provided with access to basic water. However, if they were removed/relocated outside the project area and after the physical counting, then they are recoded as having been provided with basic service.	Capex-Projects-CC/GL JSIP Number	COO

KPI	INDICATOR TITLE	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	BUDGET SOURCE DESCRIPTION	INDICATOR RESPONSIBILITY
4.	Number of new water Connections meeting minimum standards	Total number of new water connections meeting minimum standards (supply of water is Piped (tap) water inside dwelling/ institution, piped (tap) water inside yard, and/or Community stand: <200 m) made by the municipality. This is inclusive of new water connections to communal facilities that meet minimum standards.	System-generated operational indicator report, IMQS infrastructure lengths and Excel calculation sheet	The (1) number of new water connections to piped (tap) water + (2) number of new water connections to public/communal taps. 2 Acceptable water meeting minimum standards includes access to either of the following: (1) Piped (tap) water inside dwelling/institution, (2) Piped (tap) water inside yard, and/or (3) Community stand: <200 m. Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year.	No limitation	Salaries and allowances for labour. R&M line items for repairs/ spares	COO
5.	Frequency of sewer blockages per 100 KMs of pipeline	Number of blockages in sewers per 100km of sewer length per year. Blockages are defined as reported or logged blockages that result in an obstruction of system flow which may be caused by roots, obstructive items or other pipeline disruption.	System-generated operational indicator report, IMQS infrastructure lengths and Excel calculation sheet	A) Number of work orders received on sewer main blockages (B) Total length of sewer mains/100 (C) A/B = number of blockages per 100 km (monthly)	No limitation	- Salaries and allowances for labour. R&M line items for repairs/spares plus contractors: Vacuum tankers for jetting (clearing blockage) - Hydro jetting	COO
6.	Percentage of complaints / callouts responded to within 48 hours (sanitation/wastewater)	Percentage callouts (inclusive of outages logged with the municipality and complaints related to outages) responded to within 48 hours (sanitation/wastewater). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification.	System-generated operational indicator report, IMQS infrastructure lengths and Excel calculation sheet	A) Number of work orders received on sewer main blockages (B) Total length of sewer mains/100 (C) A/B = number of blockages per 100 km (monthly)	No limitation	Salaries and allowances for labour. R&M line items for repairs/ spares	COO
7.	Frequency of water mains failures	Number of water mains failures per 100km of mains pipe per year. "Mains" refers to all transmission and distribution pipes for water, the ownership of which is vested in the municipality for the purpose of conveying water to consumers.	System-generated operational indicator report, IMQS infrastructure lengths and Excel calculation sheet	(A) Number of works orders received R&M mains + number of work orders received R&M valves and hydrants (B) Total length of water mains/100 (C) A/B = number of bursts per 100 km (monthly)	No limitation	Salaries and allowances for labour. R&M line items for repairs/ spares plus Contractors	COO

KPI	INDICATOR TITLE	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	BUDGET SOURCE DESCRIPTION	INDICATOR RESPONSIBILITY
8.	Percentage of complaints/ callouts responded to within 48 hours	Percentage callouts (outages inclusive of complaints logged over outages) responded to within 48 hours (water). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification.	System-generated regional response-time report	(A) Number of work orders completed (major and minor bursts) in time (B) Number of work orders received (major and minor bursts) $A/B \times 100\% = \text{percentage response time (monthly)}$	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares	COO
9.	Frequency of unplanned water service interruption	Number of interruptions averaged per 1000 service connections per year. Interruptions are understood as occurring at the source and do not include the number of consumer units affected by an interruption.	System-generated operational indicator report, IMQS infrastructure lengths and Excel calculation sheet	(1) Number of unplanned water service interruptions / [(2) Total number of water service connections/1000]	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares	COO
10.	Percentage of drinking water samples complying to SANS 241	The percentage of water samples measured that comply with the SANS 241 requirements over a 12 month period for the defined parameters. See the SANS 241 requirements for a detailed breakdown of the various tests involved and the associated standard limits for application.	System-generated drinking water quality report on LIMS	((1) Number of water sample tests that complied with SANS 241 requirements / (2) Total number of water sample tests undertaken)	Strikes and service delivery protests. No access to sampling points	Salaries for Scientific services	COO
11.	Percentage of water treatment capacity unused	N/A	N/A	N/A	N/A	N/A	N/A
12.	Percentage of wastewater samples compliant to water use license conditions	Percentage of Wastewater Quality Compliance to specified licence/permit/authorisation requirements tested during the municipal financial year. The percentage is calculated on the basis of aggregated results per Water Use License determinant.	The information comes from a system-generated effluent quality LIMS reports and Excel calculation sheets. It is collected through sampling, analysis and reporting of results for effluent samples	(Total number of daily samples per works per indicator per month complying with the limit in the water use licence) / (total number of daily samples per works per indicator per month) $\times 100\% = \text{percentage monthly compliance per works per indicator in the water use licence}$	Strikes and service delivery protests. No access to sampling points.	Total Opex for bulk wastewater	COO
13.	Percentage of industries with trade effluent inspected for compliance	Number of industries with trade effluent that are inspected during the assessment period as a percentage of the total number of registered industries with trade effluent, at the end of the municipal financial year. Inspections are only counted once per registered industry organisation, regardless of whether multiple inspections follow from the original visit.	Excel calculation sheet.	(1) System input volume – Exported [(2) raw + (3) treated] water in $\text{m}^3 \times 1000$ / (365 x (4) Municipal population)	No limitation	Salaries for Inspectors	COO

KPI	INDICATOR TITLE	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	BUDGET SOURCE DESCRIPTION	INDICATOR RESPONSIBILITY
14.	Percentage of wastewater treatment capacity unused	The percentage of wastewater treatment capacity unused. Sewer treatment capacity refers to the maximum amount of sewage that a facility is allowed to treat or to direct to a particular reuse or effluent disposal system. This refers to the collective available design capacity of all facilities servicing the municipal area. 'Available design capacity' refers to the overall design capacity that is available on a daily basis. If part of the treatment facility requires refurbishment or is not in operation this should be excluded from 'available design capacity'.	Excel calculation sheet.	$[1 - ((1) \text{ Total volume of wastewater treated over the last year} / ((2) \text{ Daily wastewater treatment plant available design capacity} \times 365))]$	Strikes and service delivery protests. No access to sampling points.	Total Opex for bulk wastewater	COO
15.	Percentage of NRW	Non-revenue water is defined as the sum of unbilled authorised consumption, apparent losses (unbilled unauthorised consumption and meter inaccuracies) and real losses (from transmission mains, storage facilities, distribution mains or service connections).	CoJ's zone water balance. Excel calculation sheet.	Using sum of prior 12 months moving data (A), total system input volume (B), billed metered consumption (C), billed unmetered consumption (D), unbilled unmetered consumption (E), $(A - B - C) / A \times 100 = \text{percentage NRW (F)}$, $(A - B - C - D) / A \times 100 = \text{percentage water losses (G)}$, $(28\% \times F) / A \times 100 = \text{percentage apparent losses (commercial losses) (H)}$, $F - G = \text{percentage real losses (physical losses) (I)}$ $D / A \times 100\% = \text{percentage unbilled unmetered consumption (commercial losses) (J)}$, $G + I = \text{percentage commercial losses}$	No limitation	- Opex (Network and WDM budget) - Capex (WDM)	COO
16.	Total water losses	Total (apparent and real) losses, expressed in terms of annual volume lost per service connection per day.	Excel calculation sheet.	$((1) \text{ System input volume} - (2) \text{ Authorised consumption volume}) \text{ in } m^3 \times 1000 / (365 \times (3) \text{ Number of service connections})]$	No limitation	Opex (Network and WDM budget) Capex (WDM)	COO
17.	Infrastructure leakage index	The infrastructure leakage index is derived from the structural and operational characteristics of the entire water infrastructure network. It is measured in terms of the real water loss from the supply network of physical distribution systems.	Excel calculation sheet.	(1) Current annual real water losses in the network / (2) Unavoidable annual real water losses	No limitation	- Opex (Network and WDM budget) - Capex (WDM)	COO

KPI	INDICATOR TITLE	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	BUDGET SOURCE DESCRIPTION	INDICATOR RESPONSIBILITY
18.	Total per capita consumption of water	The total system input volume minus the total exported (raw and treated) water per population per day of the assessment period.	Bulk system input volumes Excel sheet based on Rand Water and cross-boundary invoices and Excel calculation sheet. Population based on Census 2011 including growth.	(A) System input volume in the period under review, (B) population as per Census 2011 with 3, 5% growth per year and (C) the number of days of the period under review. (D) Household water consumption per capita per day = A/B/C	No limitation	- CAPEX (WDM) - OPEX (Networks and WDM budget)	COO
19.	Water connections metered as a percentage of total connections	The number of metered water connections as a percentage of the total number of connections in the municipality.	Excel calculation sheet.	(1) Number of water connections metered / [(1) Number of connections metered + (2) Number of connections unmetered] x 100	No limitation	Same budget as KPI 2 above	COO
20.	Percentage of water reused	The total volume of water recycled and reused as a percentage of the system input volume. System input should include water abstracted and all imported water (raw and treated). Water that has been 'recycled and reused' refers to water reclaimed from discharge sources that is then treated and reused for beneficial purposes, including but not limited to: agriculture and irrigation, portable water supplies, groundwater replenishment, industrial processes and environmental restoration. For the purpose of this indicator, it measures only municipal wastewater treated for direct use, inclusive of irrigation purposes.	Excel calculation sheet.	[(1) Volume of water recycled and reused (VRR) = ((2) Direct use of treated municipal wastewater (not including irrigation) + (3) Direct use of treated municipal wastewater for irrigation purposes)) / (4) System input volume] x 100	No limitation	Opex (Bulk wastewater WDM budget)	COO

4.2.8 Service Standards Charter

Table 38 depicts the service standards indicators and targets; in addition, a management tool target is included for internal purposes. For the purpose of the shareholder Compact and contracting, the standard target shall be applicable.

Table 38: Service standards

NO	KEY PERFORMANCE INDICATOR	BASELINE 2023/24	2024/25 Q2 ACTUAL	STANDARD TARGET 2025/26	STANDARD QUARTERLY PERFORMANCE TARGETS				2025/26 BUDGET PER PROJECTS (R 000)					
					Q1	Q2	Q3	Q4	TOTAL BUDGET	QUARTERLY BUDGET TARGET CAPEX AND OPEX				
										CAPEX	OPEX	Q1	Q2	Q3
1.	Percentage of planned water supply interruptions concluded within prescribed timeline of notification.	11.65%	37.04%	50%	50%	50%	50%	50%	0	Included in no 2 below	Included in no 2 below	Included in no 2 below	Included in no 2 below	Included in no 2 below
2.	Percentage of fire hydrants repaired within 48 hours of notification	68.11%	75.36%	80%	80%	80%	80%	80%	0	476,500	119,100	238,250	357,350	476,500
3.	Percentage of stolen meters replaced within 24 hours of notification	85.03%	84.24%	90%	90%	90%	90%	90%	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
4	Percentage of defective meters repaired within 3 days of notification	75.42%	79.17%	80%	80%	80%	80%	80%	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
5.	Percentage of leaking valves repaired within 48 hours of notification	79.41%	87.23%	92%	92%	92%	92%	92%	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
6	Percentage of missing manhole covers replaced within 24 hours of notification	97.68%	95.59%	95%	95%	95%	95%	95%	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
7	Percentage repair of water pipe burst within 48 hours of notification	67.46%	75.22%	85%	85%	85%	85%	85%	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
8	Percentage sewer blockages cleared within 48 hours of notification	92.67%	92.84%	92%	92%	92%	92%	92%	0	317,600	79,400	158,800	238,200	317,600
9	Percentage of new water connections completed within 15 days of receiving request from customer	68.35%	64.56%	70%	70%	70%	70%	70%	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
10	Percentage actual water meter readings submitted to bill	85.36%	89.60%	88%	88%	88%	88%	88%	77,600	54,000	25,800	64,500	90,300	131,600
11.	Percentage of planned service interruption communiqués sent within seven days.	100%	100%	95%	95%	95%	95%	95%	N/A	N/A	N/A	N/A	N/A	N/A
12	Percentage unplanned interruption communiqués sent immediately	88%	100%	95%	95%	95%	95%	95%	N/A	N/A	N/A	N/A	N/A	N/A
13	Ratio of households per chemical toilet	10:1	12:1	12:1	12:1	12:1	12:1	12:1	N/A	N/A	N/A	N/A	N/A	N/A

4.4.8 Service Standard Definitions

Table 39: Service Standard definitions

KPI	KEY PERFORMANCE INDICATOR	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	CALCULATION TYPE	DATA LIMITATION	INDICATOR RESPONSIBILITY
1.	Percentage of planned water supply interruptions concluded within prescribed timeline of notification.	Percentage of planned water supply interruptions concluded within prescribed timeline of notification.	System generated regional response time report	The number of planned shutdowns completed divided by the number of completed shutdowns completed within planned timelines	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
2.	Percentage of fire hydrants repaired within 48 hours of notification	Percentage of fire hydrants repaired within 48 hours of notification	System generated regional response time report	The difference between the completion date and date created compared x 100.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
3.	Percentage of stolen meters replaced within 24 hours of notification	Percentage of stolen meters replaced within 24 hours of notification	System generated regional response time report	The difference between the completion date and date created compared x 100.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
4.	Percentage of defective meters repaired within 3 days of notification	Percentage of defective meters repaired within 3 days of notification	System generated regional response time report	The difference between the completion date and date created compared x 100.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
5.	Percentage of leaking valves repaired within 48 hours of notification	Percentage of leaking valves repaired within 48 hours of notification	System generated regional response time report	The difference between the completion date and date created compared x 100.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
6.	Percentage of missing manhole covers replaced within 24 hours of notification	Percentage of missing manhole covers replaced within 24 hours of notification	System generated regional response time report	The difference between the completion date and date created compared x 100.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
7.	Percentage repair of water pipe burst within 48 hours of notification	The percentage of water bursts repaired within 48 hours to the number of water bursts reported as one of the service delivery functions	System generated regional response time report	(A) Number of work orders completed (major and minor bursts) in time (B) Number of work orders received (major and minor bursts) $A/B \times 100\% = \text{percentage response time (monthly)}$	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
8.	Percentage sewer blockages cleared within 48 hours of notification	The percentage of sewer blockages cleared within 48 hours to the number of sewer blockages reported as one of the service delivery functions linked to customer satisfaction	System generated regional response time report	Number of work orders completed (sewer main blockages) on time. (B) Number of work orders received (sewer main blockages) $A/B \times 100\% = \text{percentage response time (monthly)}$	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO

KPI	KEY PERFORMANCE INDICATOR	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	CALCULATION TYPE	DATA LIMITATION	INDICATOR RESPONSIBILITY
9.	Percentage of new water connections completed within 15 days of receiving request from customer	Percentage of new water connections completed within 15 days of receiving request from customer	System generated regional response time report	Number of work orders completed (water connections) on time (B) Number of work orders received (water connections) $A/B \times 100\% = \text{percentage response time (monthly)}$	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
10.	Percentage actual water meter readings submitted to bill	Percentage of actual water meter readings submitted to bill	Meter Reading System Export	Nonactual read ratio is calculated as a percentage of the total number of installations calculated over the Percentage calculated as the total number of installations x 100 Monthly reports	Cumulative (Additional, Actual Quarter for use as management tool)	Inability to submit a reading on some technical faults where a reading could be obtained and used (e.g. meter covered, meter inside the property)	CFO
11.	Percentage of planned service interruption communiqués sent within seven days.	Percentage of planned service interruption communiqués sent within seven days.	Communication and Marketing teams utilise Emails, WhatsApp, Facebook and Twitter to communicate planned & unplanned interruptions to all stakeholders	Number of planned service interruptions communicated within seven days divide by the total number of interruptions x 100	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	SRC
12.	Percentage unplanned interruption communiqués sent immediately	Percentage unplanned interruption communiqués sent immediately		Number of unplanned service interruptions communicated divide by the total number of unplanned interruptions x 100	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	SRC
13.	Ratio of households per chemical toilet	Ratio of households per chemical toilet	System generated regional response-time report	Calculations are based on the number of households in the settlements provided with sanitation services through chemical toilets divided by the number of chemical toilets on the ground at the end of each month.	Cumulative		COO

Institutional Key Performance Indicators and Targets

Table 40 depicts the 2025/26 Institutional Key Performance Indicators and targets; these are compulsory key Performance Indicators and Targets set by the CoJ to monitor specific dimensions relating to all entities and departments.

Table 40: Institutional Indicators and Targets

NO	KEY PERFORMANCE INDICATOR	BASELINE 2023/24	2024/25 Q2 ACTUAL	STANDARD TARGET 2025/26	QUARTERLY PERFORMANCE TARGETS				2025/26 BUDGET PER PROJECTS (R 000)					
					Q1	Q2	Q3	Q4	TOTAL BUDGET	QUARTERLY BUDGET TARGET CAPEX AND OPEX				
										CAPEX	OPEX	Q1	Q2	Q3
1.	Percentage spent on operating budget against approved operating budget	112%	27%	95%	25%	50%	75%	95%		20,798,709	5,199,677	10,399,355	15,599,031	20,798,709
2.	Percentage spent on capital budget against approved capital budget	98.69%	37%	95%	10%	35%	65%	95%	1,703,880	-	173,388	613,858	962,452	1,703,880
3.	Percentage spent on repairs and maintenance to property, plant and equipment.	10.7%	11.3%	8%	0%	4%	6.4%	8%	0	1,606,000	0	803,269	1,204,903	1,606,000
4..	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	79%	56%	50%	40%	30%	20%	10%	N/A	N/A	-	-	-	-
5.	Percentage of valid invoices paid within 30 days of statement	59.9%	65.6%	100%	100%	100%	100%	100%	N/A	N/A	-	-	-	-
6.	Percentage resolution of Internal Audit findings	79%	0%	95% resolution of Internal Audit findings (cumulative)	10%	30%	70%	95%	N/A	N/A	-	-	-	-
7.	Percentage resolution of AG findings	83.5%	N/A	95%	10 %	30%	70%	95%	N/A	N/A	-	-	-	-
8.	Percentage implementation of the strategic risk management action plan	47%	33%	85%	85%	85%	85%	85%	N/A	N/A	-	-	-	-
9.	Percentage achievement of service standards*	33.3%	46015%	85%	85%	85%	85%	85%	127,600	902,440	257,510	515,020	772,530	1,030,040

Institutional Indicators definition

Table 41 indicates Institutional Indicator definition, Source of data collection, method of calculation and data limitations.

Table 41 Institutional Indicators definition

KPI	KEY PERFORMANCE INDICATOR	SHORT DEFINITION	SOURCE OR COLLECTION OF DATA	METHOD OF CALCULATION	DATA LIMITATION	CALCULATION TYPE	REPORTING CYCLE	NEW INDICATOR	DESIRED PERFORMANCE
1	Percentage operating budget spent against approved budget	Operational costs spent by the organisation against the allocated budget. The objective is to improve, stabilise and sustain a positive financial position	Expenditure reports drawn from SAP system	Actual costs /Allocated budget x 100	None	Cumulative	Monthly	No	95%
2	Percentage capital budget spent against approved capital budget	The Capex spent on projects against the approved budget. The objective is to improve, stabilise and sustain a positive financial position	Expenditure reports drawn from SAP system	Total Capex spend divide by the budget Capex spend x100	None identified	Cumulative	Monthly	No	95 %
3	Percentage of spent on repairs and maintenance to property, plant and equipment.	It measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery.	Expenditure reports drawn from SAP system	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x 100	None identified	Cumulative	Monthly	Yes	8%
4	Percentage reduction in unauthorised, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	Percentage reduction on UIFWE compared to the previous FY AG finding.	Expenditure reports drawn from SAP system	The UIFW Expenditure closing balance of the current FY against (will be compared with) the closing balance of the previous FY.	None	Non- Cumulative	Quarterly/ Annually	No	50%
5	Percentage of valid invoices paid within 30 days of invoice date	It measures the percentage of valid invoices paid within 30 days. The objective is to increase the number paid within 30 days	Expenditure reports drawn from SAP system	Total number of invoices processed for the month/ Number of invoices paid within 30 days x100%	None identified	Non- cumulative	Monthly	No	100%
6	Percentage resolution of Internal Audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the internal audit	Internal Audit Reports	Total number of internal audit findings resolved/ total number of internal audit findings (excluding findings that are less than 60 days) x100%	None identified	Cumulative	Annually	Yes	95%
7	Percentage resolution of AG findings	It measures the number of audit findings resolved against the total number of audit findings issued by the AGSA	Internal Audit Reports	Total number of Auditor General findings resolved/ total number of Auditor General findings (excluding findings that are less than 60 days) x 100%	None identified	Cumulative	Annually	Yes	95%
8	Percentage implementation of the strategic risk management action plan	The percentage of strategic risk action plans implemented compared to total number of strategic risk action plans.	Governance Report; Strategic Risk Plan; Strategic Risk Register and Audit Report	Number of implemented strategic risk action plans divided by total number of strategic risk action plans multiplied by 100%	None identified	Cumulative	Monthly	Yes	85%
9	Percentage achievement of Service Level Standards (SLS)	The percentage of Service Level Standards achieved of the total approved number of Service Level Standards	System generated regional response time report	The number of KPIs achieved in the Service Level Standards Agreement against total no of Service Level Standards achieved multiply by 100%	None identified	Non- cumulative	Monthly	No	85%



CHAPTER 5

FINANCIAL IMPACT

5. FINANCIAL IMPACT

5.1 Economic Outlook

South Africa's growth underperformed during the past decade with increasing unemployment and rising national debt. This has placed additional strain on Johannesburg Water by way of limited funding, declining payment levels, and the increased provision of services in marginalised areas where there is an ever-increasing demand for additional water and sanitation services. The provision of these services is expected to continue. To improve its resilience and recover from the effects of the COVID-19 crisis in a more sustainable way, Johannesburg Water is committed to exploring alternative infrastructure funding models, allocating limited resources effectively, and maximising the collection of billed revenue. The economy is expected to grow in the medium-term, and a consumer

price index (CPI) of 4.8% has been estimated for the 2024/25 FY. Collections levels are budgeted at 74.5% for the 2025/26 FY and across the years in the medium-term budget.

Based on the strategic shift of the turnaround strategy, Johannesburg water envisages to be given the full customer and revenue value chain. The transition on resuming full responsibility on managing the entire revenue value chain will begin by taking over 30% of customers by December 2024, which accounts for 50% of the revenue, including all industrial and commercial customers. The completion of assuming the full responsibility of managing the full revenue value chain will result in an increase in cash collection of 80% in the 2023/24 FY, 85% in the 2024/25 FY, 90% in the 2025/26 FY and 95% in the 2028/29 FY.

5.2 Financial Indicators

Table 42: Summarised Income

	AUDITED OUTCOME 2023/24 (R'000)	ORIGINAL BUDGET 2024/25 (R'000)	ADJUSTED BUDGET 2024/25 (R'000)	BUDGET 2025/26 (R'000)	BUDGET 2026/27 (R'000)	BUDGET 2027/28 (R'000)
Revenue	17,063,231	17,898,098	17,898,098	20,012,923	21,333,339	22,740,860
Bulk purchases	-8,410,494	-8,646,610	-8,646,610	-9,796,611	-10,345,221	-11,022,833
Gross margin	8,652,737	9,251,488	9,251,488	10,216,312	10,988,118	11,718,027
Other income	1,032,048	1,223,682	1,218,499	1,618,532	1,539,305	1,842,306
Operating expenditure	-4,344,333	-4,494,985	-4,555,513	-4,729,847	-4,897,149	-5,117,498
Bad debt Provision	-4,382,610	-4,874,054	-4,510,174	-5,034,425	-5,256,907	-5,486,846
Interest Expense	-230,907	-324,629	-324,629	-357,111	-359,268	-375,435
Interest Income	395,291	318,750	318,750	318,750	333,390	348,392
Net profit / (Loss)	1,122,226	1,100,252	1,398,421	2,032,212	2,347,489	2,928,946

Revenue is budgeted to increase to R20.0 billion in the 2025/26 FY as per Figure 10, which is an increase of 11.8% on the adjusted budget of R17.9 billion in 2024/25.

Service Revenue

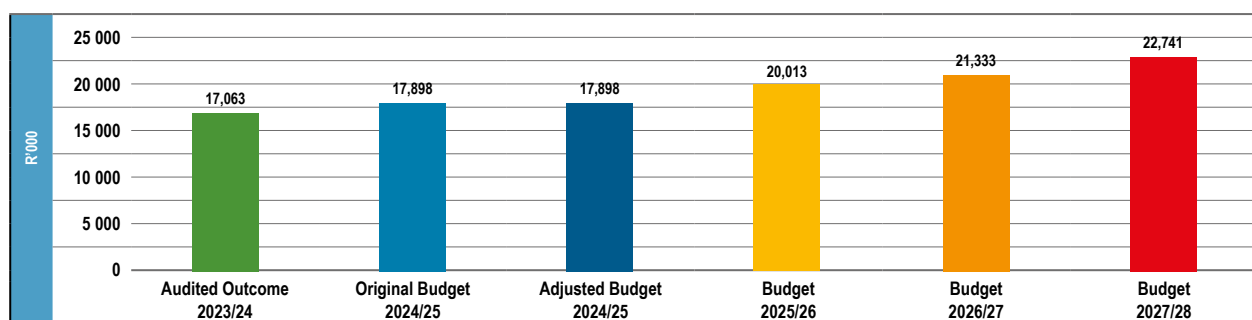


Figure 10: Revenue trends

Johannesburg Water has proposed a tariff increase of 13.9%. The increase is both above the inflation 2024 rate and above the inflation target set by the South African Reserve Bank and may have a negative impact on consumer payment levels. However, the increase does not adequately cover funding of the capital expenditure required to replace infrastructure that is reaching the end of its useful life over the next few years. Therefore, additional loans will be required to fund a portion of the capital expenditure and the company continues to explore other alternative funding.

Bulk Purchases

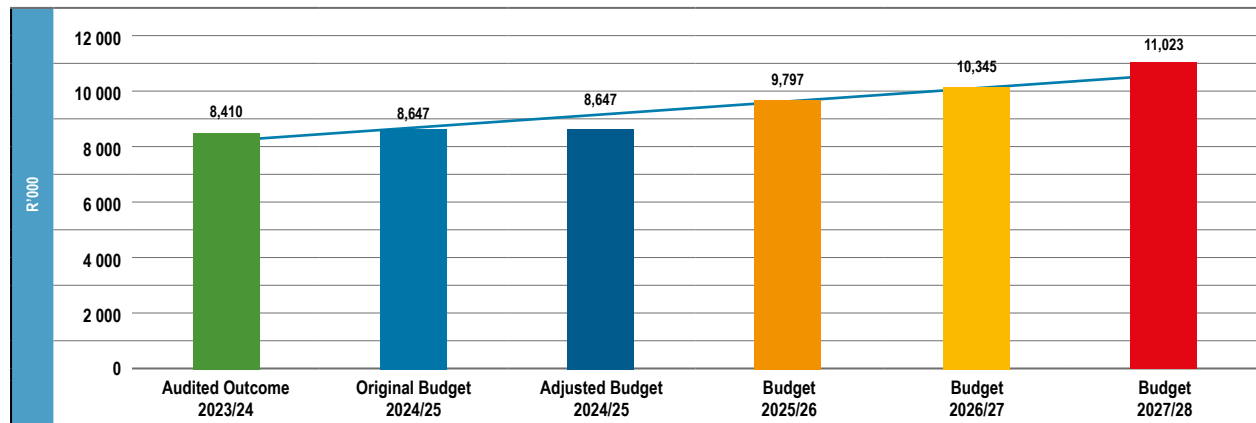


Figure 11: Bulk Purchases

Bulk purchases consist of the purchase of potable water from Rand Water. The price is determined by a combination of a government pricing strategy, which is determined by operating costs and loan repayments for capital infrastructure for raw water, as well as the costs incurred by Rand Water for the treatment of water.

The bulk water volume purchases budget has been based on current consumption patterns adjusted by the proposed tariff increase of 15.3% by Rand Water. Bulk Purchases are budgeted to increase to R9.797 billion in the 2025/26 FY as per Figure 11, which is an increase of 13.3% on the adjustment budget of R8.647 billion in 2024/25.

5.2.2 Profitability

The net profit budget of the Company is budgeted at R2.032 billion in the 2025/26 FY as shown in Figure 12.

Net Profit

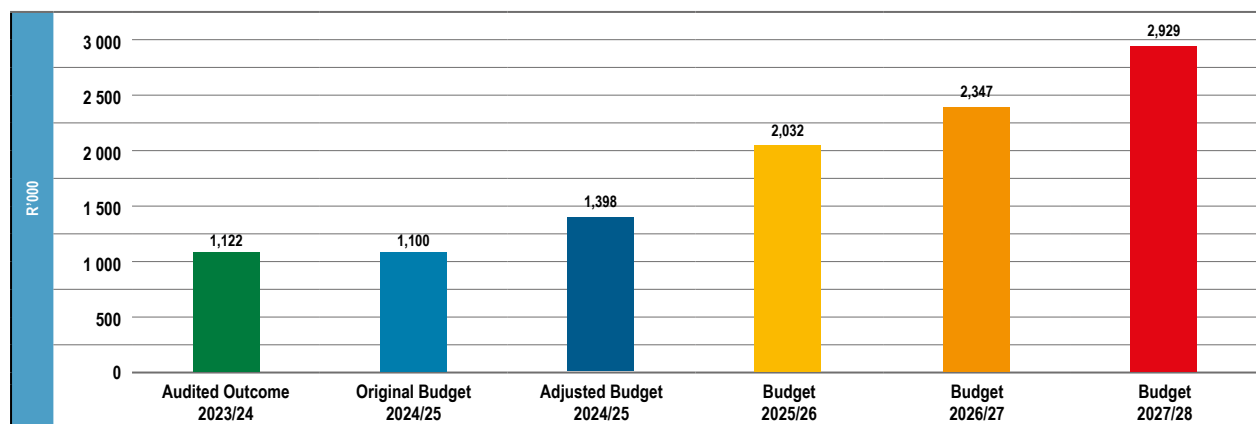


Figure 12: Net profit

5.2.3 Debt Impairment

Debt impairment has been increasing over several years, as reflected in Figure 13

Bad Debt/Revenue

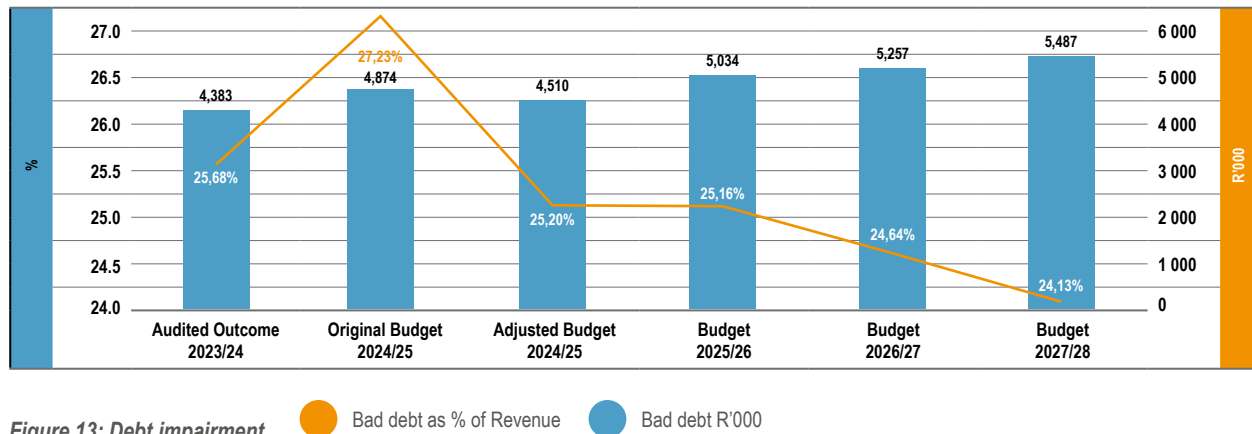


Figure 13: Debt impairment

Bad debt as % of Revenue Bad debt R'000

Debt impairment for 2025/26 FY is projected at R5.034 billion, as compared to the adjusted budget of R4.510 billion for 2024/25 FY. The debt impairment budget is based on the collection target of 74.84% in 2025/26 FY. The non-payment by consumers is of concern since it has a direct negative impact on availability of funds for service delivery and capital expenditure. To improve the situation, the company has revised the credit control strategy as part of efforts to increase collection levels. This includes enforcement and regular reviews to ensure that customers are not illegally reconnected. The credit control team at Johannesburg Water will continue to work with the credit control team at Revenue Shared Services Centre (RSSC) to improve the revenue collection.

The management of overdue debt is managed by CoJ Revenue Shared Service Centre (RSSC) with the assistance of Johannesburg Water that focuses on

customers with large and overdue outstanding debt, known as the 1500 portfolio, as well as the high volume water consumers, known as the Black Portfolio. Once an account has been identified as overdue, a pre-termination notice will be issued whereby the accountholder is informed that unless a payment arrangement is made, the service will be discontinued within 14 days. If no attempt at a payment arrangement is made or no payment is received, the service will be disconnected. RSSC has a panel of attorneys to assist with debt collection where the action of disconnection was not successful in obtaining payment. The company's internal legal department has also been provided with access to this panel to assist in the Johannesburg Water strategy of improving collections. CoJ also implemented a debt rehabilitation programme whereby qualifying account holders' debts are written off in tranches if the account is being kept up to date upon the acceptance of the debt rehabilitation offer.

5.3 Controls Over Operating Costs

General expenses increased from the adjusted budget of R531 million in 2024/25 to R561 million for 2025/26 FY. The budget for contracted services increased from R1,646 billion in 2024/25 FY to R1.666 billion for 2025/26 FY. Employee related costs increased from the adjusted budget of R1.823 billion in 2024/25 FY to R1.922 billion for 2025/26 FY. The operating costs per major category are reflected in figure 14.

Operational Expenses Trend

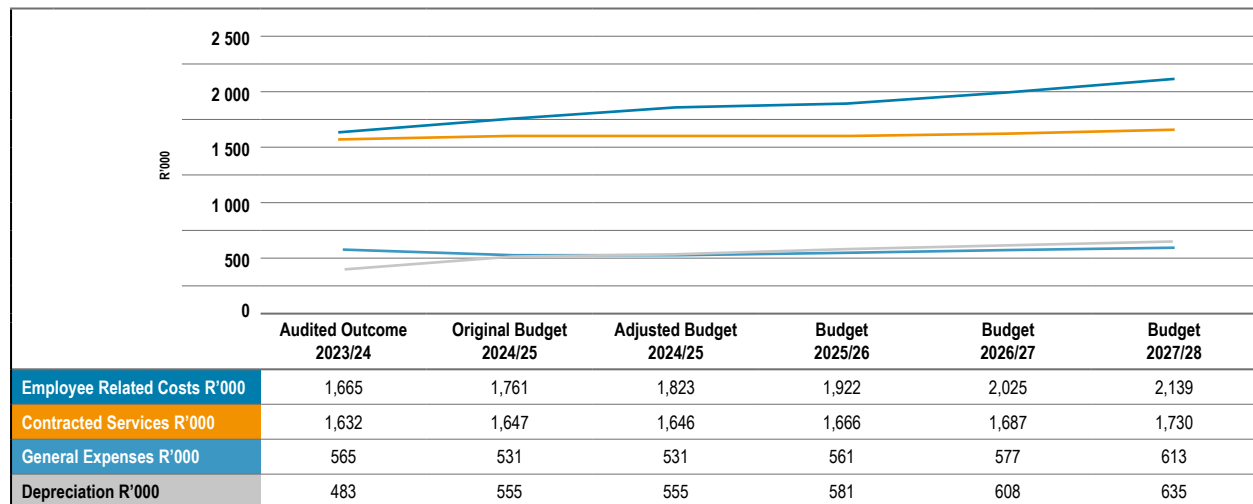


Figure 14: Operational expenses

Table 43: Employee-related costs

2024/25 BUDGET (R'000)	1,822,822
Salary increases at 5.4%	99,159
Proposed budget for 2025/26	1,921,981

Salaries as % of OPEX

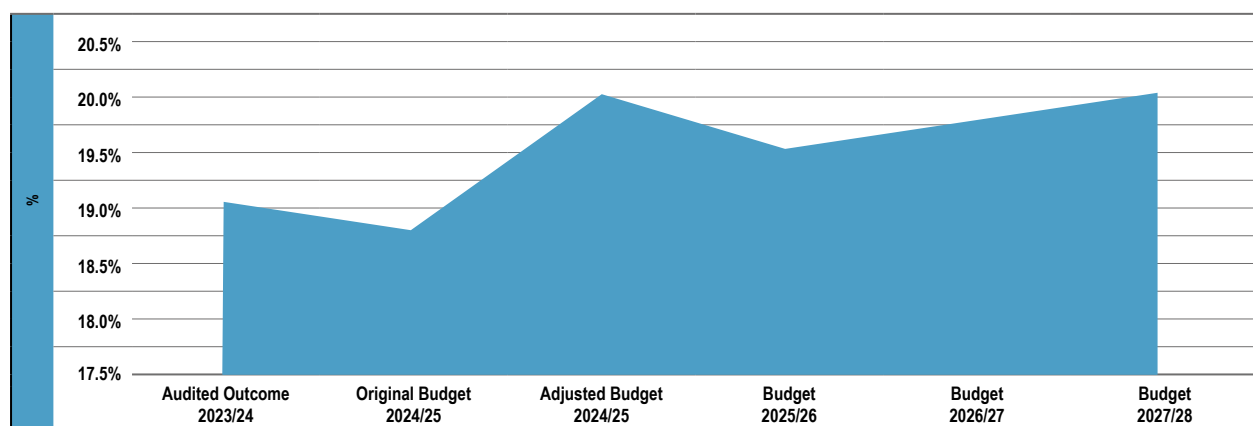


Figure 15: Salary trends

Johannesburg Water ended 2023/24 on 19.1% salaries to operating expenses. The budget for 2025/26 FY is set at 19.7%. The ratio is well below National Treasury's benchmark of 30%, which reflects under capacity of staff resources and poses a threat to resource sustainability in the service delivery offerings. There has been consequential additional pressure on staff resources which has resulted in excess use of overtime. This has an adverse impact on service delivery.

5.4 Contracted Services

Contracted services constitute the services procured relating to the provision of water and sanitation and include critical repairs and water conservation projects. Table 44 illustrates the proposed changes on contracted services.

Table 44: Proposed changes on contracted services

2025/26 BUDGET (R'000)	1,646,493
Adjustment at 1.2%	19,565
Proposed budget for 2025/26	1,666,058

Table 45: General expense

2025/26 BUDGET (R'000)	530,714
Adjustment at 5.7%	30,058
Proposed budget for 2025/26	560,772

5.5 Cash Generated from Operations

During 2023/24, the collection level was 75.70% and the adjusted budget for 2024/25 FY is 74.80%. The budgeted collections level in 2025/26 FY is at 74.84%, as indicated in Figure 16. This is expected to improve in the medium term as a result of the implementation of the revised credit control strategy.

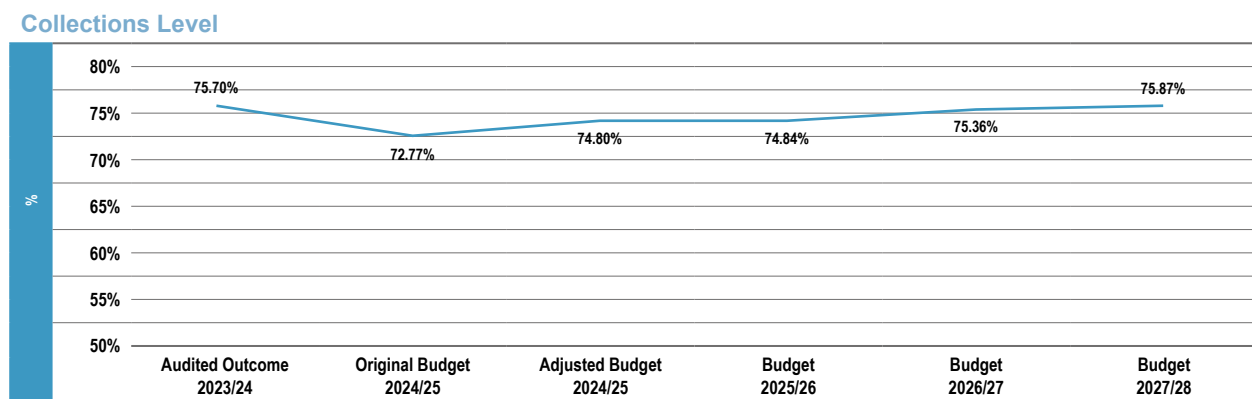


Figure 16: Payment levels

The cash balance is swept to CoJ in terms of the treasury management arrangement. At the end of 2023/24 FY, Johannesburg Water had cash reserves of R2.811 billion.

The projected cash reserve for the Medium-Term Revenue Expenditure Framework (MTREF) is reflected in figure 17.

Cash at Bank

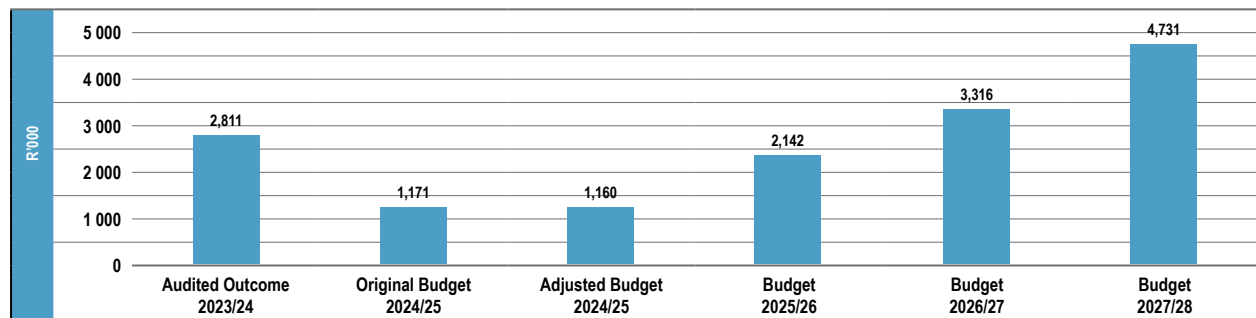


Figure 17: Projected cash reserve

The cash position for 30 June 2026 is budgeted at R2.142 billion (forecast 2024/25: R1.160 billion). Every percentage not met in collections level collections will result in R179 million forgone and failure to collect funds at forecasted rates will have an impact on the solvency of Johannesburg Water.

5.6 Solvency

Johannesburg Water budgeted to be in a strong solvency position, with the total assets exceeding the total liabilities by R19,649 billion in the 2025/26 FY. The solvency ratio as at 30 June 2025/26 FY is budgeted at 4.28% as illustrated in Figure 18.

Solvency Ratio

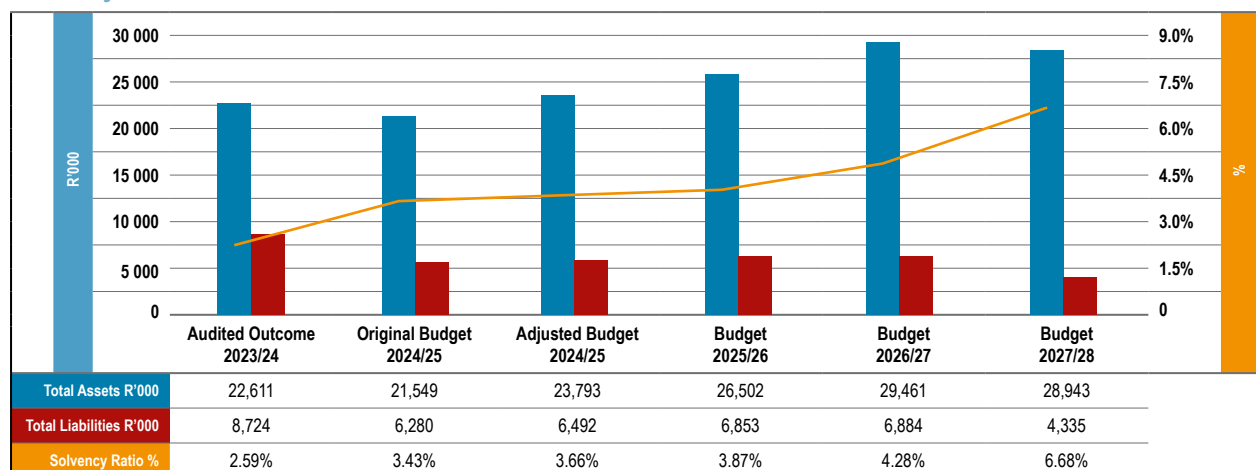


Figure 18: Solvency ratio

5.7 Capital projects

The capital expenditure is budgeted as follows:

- 2025/26 R1.704 billion
- 2026/27 R1.960 billion
- 2027/28 R1.985 billion

The capital budget has increased from that previously approved by CoJ to address backlogs, upgrades and the renewal of ageing infrastructure, as well as new infrastructure requirements.

The source of funding for capital expenditure is reflected in Figure 19. Own funding depends largely on improved payment levels. The affordability of funding for infrastructure remains a challenge, especially if payment levels do not improve or deteriorate due to prevalent economic conditions.

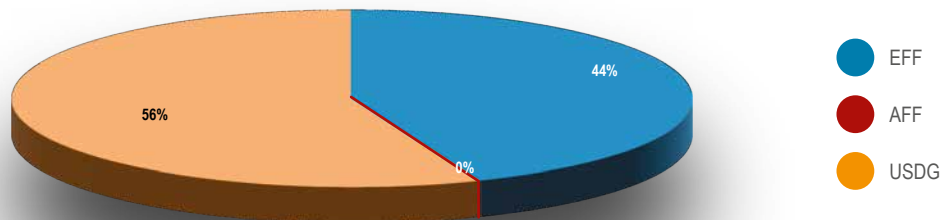


Figure 19: Sources of funding

The entity will continue to provide the 6kl free water. High volume consumers will continue to pay at a higher rate in order to incentivise the saving of water. The anticipated increase in water and sanitation tariffs is 13.90%. The cost of water purchased from Rand Water will be R15.60 per kl in 2024/25 FY (a 15.30% year on year increase implemented by Rand Water). The proposed tariff increase promotes financial sustainability and the pursuance of the upgrading of water and sanitation Infrastructure and other service delivery initiatives.

5.8 Revenue and Tariff Analysis

The entity will continue to provide the 6kl free water in 2025/26 FY. The entity intends to re-introduce a charge on the first 6kl of water beyond 2025/26 FY. High volume consumers will continue to pay at a higher rate in order to incentivise the saving of water. The anticipated increase in water and sanitation tariffs is 13.90%. The cost of water purchased from Rand Water will be R15.30 per kl in 2025/26 FY. The proposed tariff increase promotes financial sustainability and the pursuance of the upgrading of water and sanitation Infrastructure and other service delivery initiatives.

5.9 Proposed Tariff Increase

Domestic water, prepaid water and sanitation tariffs will be increased as per Tables 46 and 47

Table 46: Residential Conventional/post paid

BANDS	2024/25 TARIFF (R/KL)	2025/26 TARIFF (R/KL)	2026/27 TARIFF (R/KL)	2027/28 TARIFF (R/KL)
0-6	-	-	-	-
>6-10	26.20	29.84	31.81	33.91
>10-15	27.35	31.15	33.21	35.40
>15-20	38.34	43.67	46.55	49.62
>20-30	52.99	60.36	64.34	68.59
>30-40	57.95	66.01	70.36	75.01
>40-50	73.12	83.28	88.78	94.64
>50	78.35	89.24	95.13	101.41

Table 47: Residential pre-paid

BANDS	2024/25 TARIFF (R/KL)	2025/26 TARIFF (R/KL)	2026/27 TARIFF (R/KL)	2027/28 TARIFF (R/KL)
0-6	-	-	-	-
>6-10	22.56	25.70	27.39	29.20
>10-15	23.28	26.52	28.27	30.13
>15-20	27.82	31.69	33.78	36.01
>20-30	50.36	57.36	61.15	65.18
>30-40	54.21	61.75	65.82	70.16
>40-50	67.74	77.16	82.25	87.68
>50	74.08	84.38	89.95	95.88

Industrial and commercial tariffs are to be increased as follows:

- Consumption up to 200 kℓ at 10.0%
- Consumption exceeding 200 kℓ at 10.0%.
- All other tariffs increased by 13.90%.
- Demand levy increased to R65.08 for residential customers and R367.86 for all other customers.

5.10 Proposed Water Restriction Tariff

The water restriction tariff was introduced in 2016/17. The aim of these tariffs is to encourage residents to save water during water restrictions. Table 48 depicts the water restriction tariffs per band (consumption levels).

Table 48: Proposed water restriction tariff – domestic

BAND	2025/26	CONVENTIONAL WATER RESTRICTIONS							
	NORMAL TARIFF	LEVEL 1 - 15%	LEVEL 2 -20%	LEVEL 3 -25%	LEVEL 4 -30%	LEVEL 5 - 35%	LEVEL 6 - 40%	LEVEL 7 - 45%	LEVEL 8 - 50%
0-6	-	3.90	7.80	15.60	15.60	15.60	15.60	15.60	15.60
> 6-10	29.84	30.31	32.81	34.14	36.63	39.50	42.97	46.95	51.87
>10-15	31.15	33.70	36.64	37.20	39.89	43.00	46.72	51.03	58.82
>15-20	43.67	48.66	53.00	54.89	58.84	63.40	68.78	75.08	87.94
>20-30	60.36	71.01	74.13	77.72	83.30	89.73	98.09	111.12	129.59
>30-40	66.01	77.65	80.28	83.33	89.32	96.24	121.21	134.27	150.60
>40-50	83.28	104.64	113.68	115.55	125.44	137.15	194.32	331.20	617.75
>50	89.24	133.60	145.78	164.04	232.60	398.70	488.20	1,069.19	2,056.46

Table 49: Proposed water restriction tariff – domestic

BAND	2025/26	PRE-PAID WATER RESTRICTIONS							
	NORMAL TARIFF	LEVEL 1 - 15%	LEVEL 2 - 20%	LEVEL 3 - 25%	LEVEL 4 - 30%	LEVEL 5 - 35%	LEVEL 6 - 40%	LEVEL 7 - 45%	LEVEL 8 - 50%
0-6	-	3.90	7.80	15.60	15.60	15.60	15.60	15.60	15.60
6>10	25.70	26.10	28.26	29.40	31.54	34.01	37.00	40.43	44.66
>10-15	26.52	28.69	31.19	31.66	33.96	36.60	39.77	43.43	50.07
>15-20	31.69	35.31	38.45	39.83	42.69	46.00	49.91	54.48	63.81
>20-30	57.36	67.48	70.45	73.86	79.16	85.28	93.22	105.61	123.16
>30-40	61.75	72.64	75.09	77.95	83.56	90.02	113.39	125.60	140.88
>40-50	77.16	96.94	105.32	107.05	116.21	127.06	180.02	306.83	572.30
>50	84.38	126.32	137.84	155.10	219.93	376.97	461.59	1,010.92	1,944.38

Table 50: Proposed private dwelling – domestic sanitation

ERF SIZE (M²)	2024/25 TARIFF (R/ERF/MONTH)	2025/26 TARIFF (13.9%) (R/ERF/MONTH)	2026/27 TARIFF (6.6%) (R/ERF/MONTH)	2027/28 TARIFF (6.6%) (R/ERF/MONTH)
Up to and including 300m²	314.68	358.42	382.08	407.29
Larger than 300m² to 1000m²	612.58	697.73	743.78	792.87
Larger than 1000m² to 2000m²	926.70	1,055.51	1,125.18	1,199.44
Larger than 2000m²	1,335.23	1,520.83	1,621.20	1,728.20

Table 51: Non-residential tariffs

BUSINESS				
BANDS	2023/24	2024/25	2025/26	2026/27
200kl	62.05	68.26	72.26	77.56
>200kl	65.46	72.01	76.76	81.82

INSTITUTIONS				
BANDS	2023/24	2024/25	2025/26	2026/27
200kl	49.13	55.96	59.65	63.59
>200kl	57.54	65.54	69.86	74.47



CHAPTER 6

MANAGEMENT AND ORGANISATIONAL STRUCTURES

6. MANAGEMENT AND ORGANISATIONAL STRUCTURES

6.1 Organisational Structure

The organisational governance and management structures are depicted in Figure 19a and 19b. The Audit and Risk Committee on figure 19b is a Board committee and not part of management, it is included to demonstrate the independence of the Chief Audit Executive.

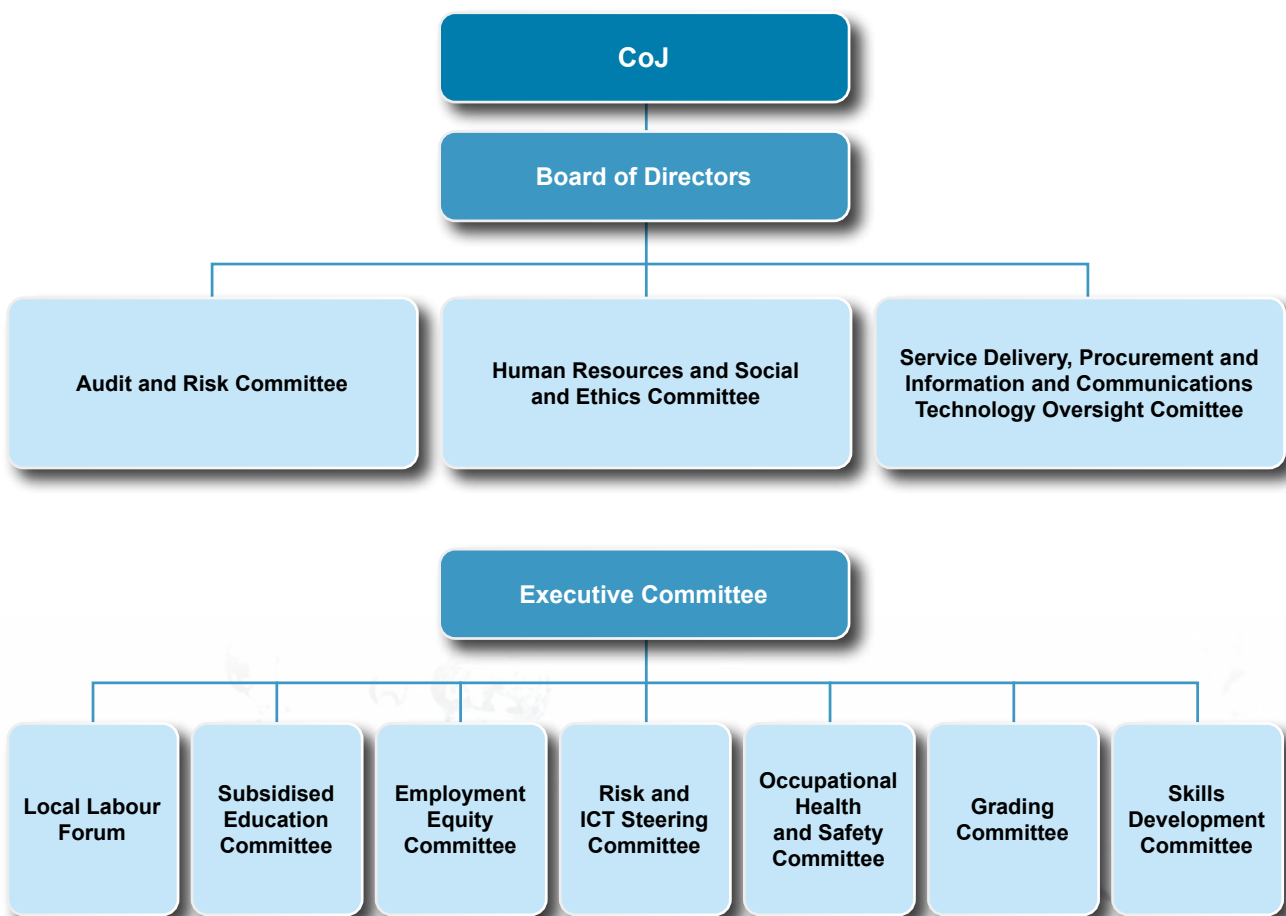


Figure 19a: Governance structure

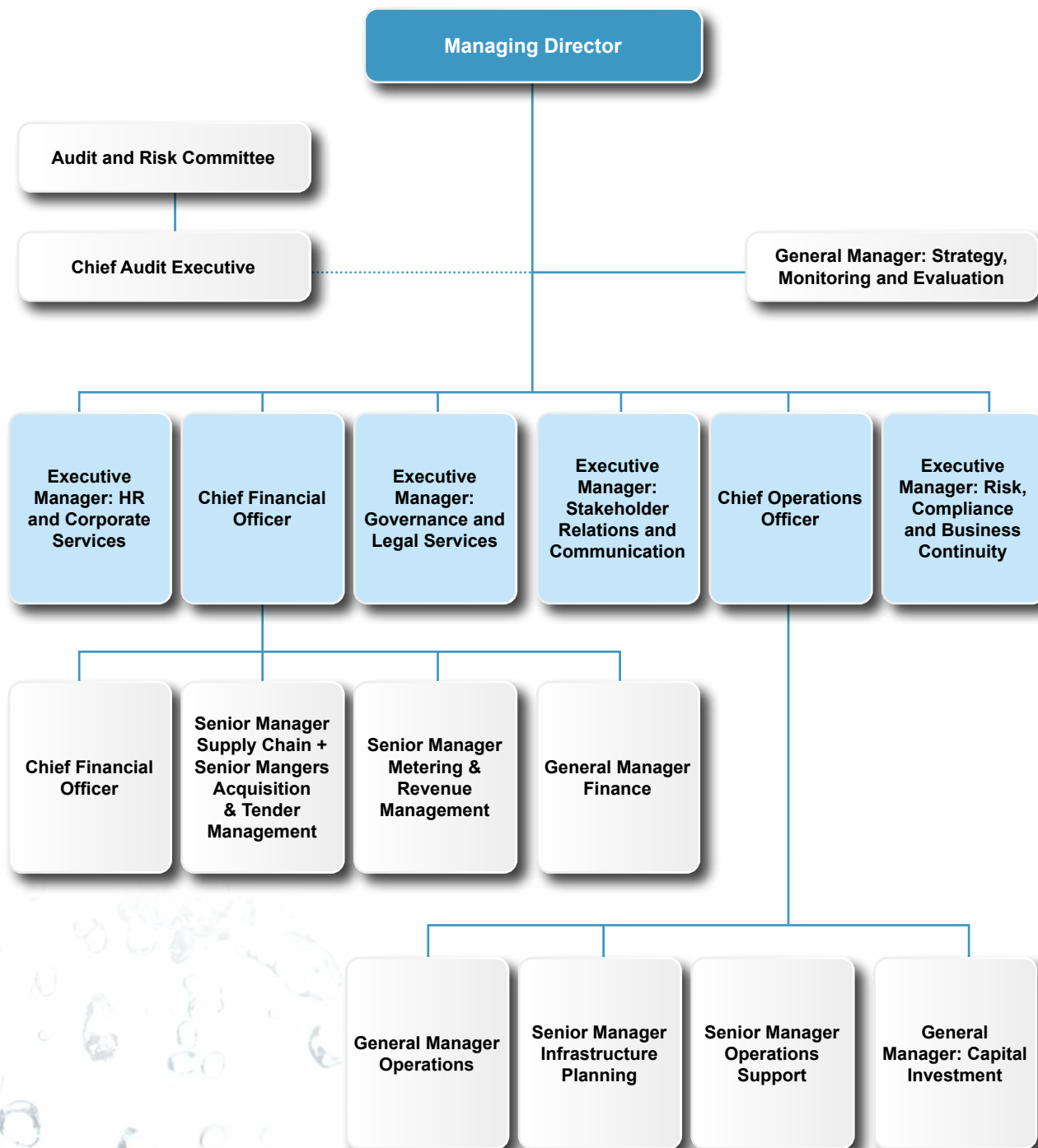


Figure 19b: Management structure

6.2 Management Team

The management team consists of eight executive managers with two positions being vacant and the process to fill them has commenced. Their qualifications and experiences are enclosed in Table 55.

Table 52: Executive Management

NAME	POSITION	QUALIFICATIONS	SKILLS AND EXPERTISE
Ntshavheni Mukwevho	Managing Director	• BTech: Eng (Civil) • Master of Business Leadership (MBL) • Pr Tech Eng • Certificate in Municipal Finance Management	• Engineering and operations management • Construction management • Project management • Water purification and distribution system • Sewerage collection systems
Gugulethu Phakathi	Chief Operations Officer	• NDIP (Mechanical Engineering) • BTECH Degree (Mechanical Engineering)	• Build Environment • Project Management, • Construction • Engineering
Kgaugelo Mahlaba	Chief Financial Officer	• ND Credit Management • BCTA • CTA • CA SA • CIMA Case Study Completed	• Financial Modelling and Analytics Internal audit • Financial management • Governance, risk management and internal control • Finance processes. • Financial Management and Strategy • Capital Budgeting • Corporate Finance • Governance, risk management and internal control
Shaniseka Mathebula	Chief Audit Executive	• BCompt • Postgraduate Diploma: Internal Auditing • Certified Internal Auditor (CIA) • Associate General Accountant (AGA) SAICA • Certificate in Municipal Finance Management	• Internal audit • Financial management • Governance, risk management and internal control
Thokozile Hlakoane	Executive Manager: Risk and Compliance	• BCom • Certificate Programme in Management and Development (Municipal Finance) • Member of Institute of Risk Management SA (IRMSA), Association of Certified Forensic Examiners SA (ACFE), The Ethics Institute SA (TEI)	• Risk Management • Insurance • Forensic Investigation • Occupational Health and Safety • Ethics Champion
Raisebe Gaveni	Executive Manager: Human Resources and Corporate Services	• Honours Degree (Industrial Psychology) • Master of Science in Human Resources • Postgraduate Diploma in Coaching • HR Master Professional (SABPP) • Member of the Institute for People Management	• Recruitment & Selection • Performance Management • Talent & Succession Management • Organisational culture & Change Management • Employee Health & Wellness • Transformation • Leadership development & Knowledge Management • Employee Relations • Corporate Social Investment

NAME	POSITION	QUALIFICATIONS	SKILLS AND EXPERTISE
Kethabile Mabe	Executive Manager: Governance and Legal Services	• LLB • Management Advancement Programme • Admitted attorney of the High Court of SA • Post-Graduate Diploma: Corporate Governance	• Legal Services • Human Resources Management • Customer Relation Management • Legislative Compliance • Strategic Communication • Facility Management • Secretariat services • Corporate Governance
Nondumiso Mabuza (CPRP)	Executive Manager: Stakeholder Relations and Communication	• M Phil (Communication Management) • BA Honours (Communication Science) • BA (Communication Science) • Certificate in Municipal Finance Management	• Strategic Communication Management • Strategic Planning • Stakeholder Relations Management • Outreach Programme Management • Customer Relationship Management • Project Management • Change Management

6.3 Organisational Capacity Analysis

Johannesburg Water’s capacity analysis requirements take cognisance of training needs, attrition due to resignations, the retention of scarce skills, retirements, employee wellbeing and an aligned organisational structure. In an endeavour to achieve optimal performance to remain service focused, the company conducts employee satisfaction surveys. The last assessment was conducted in 2021/22, and the implementation plans for improvements are in progress and will continue into the 2024/25 FY. The organisational diagnosis and review will be conducted with the view of analysing the integration and alignment between strategy, organisational delivery processes, the organisational structure and its levels, the clarity of roles within the hierarchy and people factor.



CHAPTER 7

COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

7. COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

7.1 Stakeholder Matrix

Table 53 illustrates the stakeholder mapping which has identified key stakeholders relating to the business of the Company. The process has identified all stakeholders who have an interest in the Company and categorised them, according to different levels of engagement. The mapping of the stakeholder has been done according to the levels of interest and influence. The process of stakeholder mapping is considered a form of risk management. Meeting the stakeholders' requirements and keeping them happy will reduce the risk of service delivery failure.

Table 53: Stakeholder matrix

STAKEHOLDER	WHAT MATTERS TO THEM?	WHAT CONCERNS THEM? (RISKS)	HOW DOES JOHANNESBURG WATER RESPOND TO THEIR CONCERNS?	HOW DOES JOHANNESBURG WATER COMMUNICATE WITH THEM?
Customers	- Recognition/affirmation/ valued - Dignity 24/7 access - Quality services – access, safety, reliability, affordability - Responsive Johannesburg Water (seen to be) "Batho Pele" - Company excellence – timeous and accurate statements, effective customer service and problem resolved first time	- Cost of services - Perceived lack of quality of water - Sanitation/ health - Customer experience – service interruptions, lack of consultation, lack of information, smart meters imposed, lack of professionalism of frontline staff	- Frontline staff training - Education, outreach and awareness campaigns - Correct meter readings - Proper reinstatement	- Social media - Online media - Email - Media WhatsApp group - SMS gateway - Broadcast media interviews - Councillors
Special Customers	- Quality services – access, safety, reliability, affordability - Responsive Johannesburg Water "Batho Pele" - Company excellence – correct statements	- Customer experience - Service interruptions - Lack of consultation - Lack of information	- Classified as platinum accounts with multi-levels of engagement - Office of the MMC-EISD active participant	- RSSC is the first line of contact with the assistance of Johannesburg Water - Stakeholder forums
Employees and labour unions	- Job security - Clear vision and direction - Conditions of service - Recognition/ affirmation/ valued - Fairness - Opinions count - Two-way communication - Responsive Johannesburg Water	- Gap between executive management and junior levels - Information gate keeping - New technology - Increased cost of living - Inconsistent application of performance assessments	- Communicate decisions of top management - Quarterly MD engagement with staff - Mandatory quarterly business unit and staff meetings - Scheduled meetings with unions - Information on intranet - Include unions on intranet	- Unmediated engagement - Internal publication - Intranet - Incentives/ recognition - Electronic and print media
Suppliers and service providers	- Realistic terms of reference/ specifications - Fair competition - Transparent procurement procedures - Cash flow	- Delayed payment - Non-payment - Changes in contract price - Variance orders - Ineffective dispute resolution - Termination of contracts - B-BBEE compliance	- Communicate track record - Strengthen dispute unlocking mechanism - Company procedures and policies	- Unmediated engagement - Correspondence - Project update meetings - Emails - Website

STAKEHOLDER	WHAT MATTERS TO THEM?	WHAT CONCERNS THEM? (RISKS)	HOW DOES JOHANNESBURG WATER RESPOND TO THEIR CONCERNS?	HOW DOES JOHANNESBURG WATER COMMUNICATE WITH THEM?
Communities and community leaders	- Recognition - Equality "Batho Pele" - Agenda must be accommodated - Responsive Johannesburg Water	- Lack of "Batho Pele" - Safety - Employment opportunities	- Action list - Safety protocol - Complaints procedure and access - Feedback results of above - Emails	- Unmediated engagement - Online media - Traditional methods e.g., public meetings - Social media - Broadcast media (Interviews) - SMS notifications
Government and regulatory bodies	- Provision of services - Compliance - Consultation - Information sharing - Disaster/crisis management plan - Policy compliance	- Non-compliance to standards - Non-compliance in finance and administration legislation and policy - Lack of information sharing	- Interventions - Success of interventions - Access to information	- Compliance reports - Traditional methods - Presentations
Media	- Reliable source - Information integrity - Effective media liaison - Sufficient data - Human angle	- Access - Content Integrity - Lack of information	- Timeous news alerts - Check/verify - Newsroom visits - Incidental media briefings - Educational tours	- Unmediated engagement - Online media - Social media - Email updates
Special interest including schools, universities and peer groups	- Access to information - Information sharing - Recognition - Brand ambassadors - Knowledge on various water issues	- Lack of credible information - Partnerships	- Access channels - Johannesburg Water's agenda/ opportunities for partnership	- Unmediated engagement - Online media - Traditional methods - Educational tours
International business and investors	- Stable infrastructure - Cost of doing business	- Aged infrastructure - Unreliable water and sanitation services	Maintain infrastructure	Structured communication through the shareholder
Funding institutions	- Stable infrastructure - Cost of doing business	- Aged infrastructure - Unreliable water and sanitation services	Maintain infrastructure	Structured communication through the shareholder
Structured partnerships	- Access to information - Information sharing - Recognition - Brand ambassadors - Knowledge on various water issues	- Lack of credible information - Partnerships	- Access channels - Johannesburg Water's agenda/ opportunities for partnership	- Unmediated engagement - Online media - Traditional methods - Educational tours



CHAPTER 8

AUDIT RESOLUTION

8. AUDIT RESOLUTION

8.1 Progress Resolution of Audit Findings

The resolution rate for IAD findings for the 2023/24 FY was at 87% and AGSA was at 86%. IAD will continue to follow up on unresolved findings to ensure the management resolution rate improves with specific emphasis on addressing the root causes to reduce the instances of repeat findings.

8.2 Comparisons of the Previous Audit Opinions

Johannesburg Water has achieved a constant audit outcome/opinion for the past five FYs, i.e., an “unqualified audit opinion,” as depicted in Table 54.

Table 54: Comparative audit opinions

	2019/20	2020/21	2021/22	2022/23	2023/24
Audit opinion	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

The CoJ established the Operation Clean Audit task team to implement a coordinated effort across the board to improve the audit outcome, aiming for a clean audit in the near future. At an entity level, Johannesburg Water has implemented a dashboard process, overseen by the Managing Director, to monitor the implementation of remedial actions. There has been a significant improvement in the resolution rate, which is illustrated by the upward trend experienced in the past four FYs as indicated in Figure 20.

Historical Audit Findings Resolution Rate%

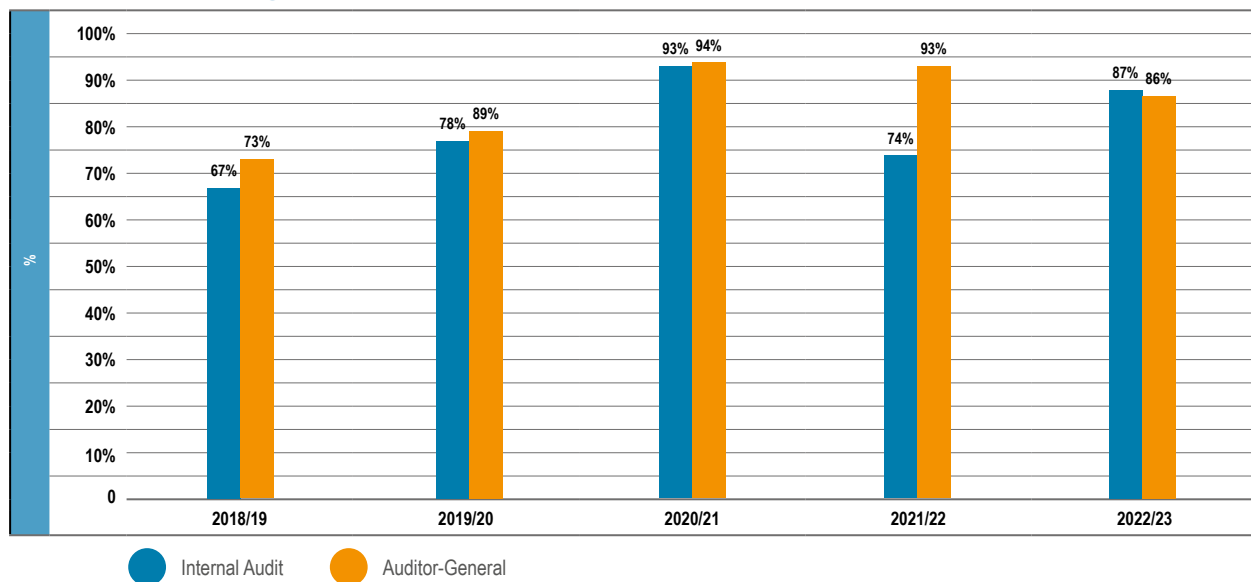


Figure 20: Audit findings resolution rate

Remedial action taken to address prior-year issues and preventative measures.

Most of the findings that were on the AGSA's Management Letter related to SCM issues. Management established a Dashboard Committee, chaired by the Accounting Officer, to address all prior-year findings. In order to address the recurring procurement issues reflected by AGSA audit findings, management has implemented the following as key remedial actions:

- Reviewed the SCM Policy and the standard operating procedure;
- Enhanced the quality assurance procedures in the SCM value chain;
- Reviewed and implemented the contract management and demand management system to reduce the use of the deviation process;
- Motivation for deviation is subject to BEC and BAC before approval by the Accounting Officer; and
- Submitted tenders above R5 million to Internal Audit for probity audit.

Management has also devised long-term intervention plans which were implemented during 2023/24 to address the recurring audit findings as indicated by both the Internal Audit and AGSA in the following processes:

- Issues of by-laws enforcement, illegal connections, and update of meter database – service providers to conduct “stand-by-stand” surveys, implementing cut-offs and conversions to Smart meters.
- Infrastructure and Asset Database – Fixed asset verification and Data Cleansing, develop interface between IMQS and SAP.
- Fixed Asset Componentisation, Fixed Asset Useful Life and Fixed Asset Policy alignment to mSCOA dependent on City of Johannesburg Busyness Transformation project.
- Installation of SCADA on existing PRV's installations.



ANNEXURES

ANNEXURE A: SUMMARY OF CAPITAL PROGRAMMES

NAME OF PROGRAM	PROJECT NAME	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	RETURN ON INVESTMENT	COJ REGIONS
Water Demand Management	Infrastructure Upgrade and Renewal (Retrofitting & leaks repair)	157,500	162,786.8	156,000	Total water savings of 36 000 MI per annum (R 245 Million water saving per annum at a current rate of R 6.81/ kl)	City Wide
	Pipe Replacement	281,650	253,000.0	263,927	Potential Water savings of 1 296 MI/annum on completion of programme equivalent to R 8.8 Million/year).	City Wide
	O & M Category (including pressure management)	363,600	259,350.0	138,927	Potential Water savings of 1 296 MI/annum on completion of programme equivalent to R 8.8 Million/year).	City Wide
Bulk Wastewater Expansion and Upgrades	Olifantsvlei heating and mixing / refurbishment	32,000	60,000.0	90,000	Treatment service continuity	D & F
	Bushkoppies balancing tank / refurbishment	37,146	78,920.9	95,000	Treatment service continuity	D
	Goudkoppies (Refurbishment)	5,000	50,000.0	50,000	Treatment service continuity	D & F
	Northern Works Upgrade & Refurbishment) 460 MI/d	106,000	181,000.0	180,340	Treatment service continuity	A, B,C & E
	Driefontein concrete lining over-flow / refurbishment	17,000	22,000.0	30,000	Treatment service continuity	C
	Lanseria 50MI/d	7,000	15,000.0	50,000	Treatment capacity for 50 000 HH equivalent	A & C
	Ennerdale (Upgrade and refurbishment)	10,000	50,000.0	50,000	Treatment service continuity	G
	WWTW General	0	13,800.0	40,000	Treatment service continuity	All
	Erand Tower 0.75	30,000	21,884.5	0	Storage capacity 750 HH equivalent	A
Reservoirs	Blue Hills Tower 1.8 MI	1,000	11,000.0	23,000	Storage capacity for 1 800 HH equivalent	A
	Robertville Tower 2.25MI	1,000	23,000.0	62,500	Storage capacity for 2250 HH equivalent	C
	Lion Park Bulk Water and Sewer Infrastructure Upgrade	0	0.0	0		C
	Woodmead Reservoir 20MI	86,500	50,000.0	5,000	Storage capacity for 20 000 HH equivalent	E
	Halfway House Reservoir 20MI	10,000	35,000.0	5,000	Storage capacity for 20 000 HH equivalent	A
	President Park Reservoir 80 MI	1,500	5,000.0	10,922	Storage capacity for 80 000 HH equivalent	A

NAME OF PROGRAM	PROJECT NAME	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	RETURN ON INVESTMENT	COJ REGIONS
Reservoirs	President Park Tower Reservoir 2.25 MI	0	3,000.0	10,922	Storage capacity for 2 250 HH equivalent	A
	Pretoriusrand Reservoir 10ML	0	5,000.0	10,000	Storage capacity for 10 000 HH equivalent	A
	Pretoriusrand Tower 1.2ML	0	5,000.0	10,000	Storage capacity for 10200 HH equivalent	A
	Diepsloot Tower 1.6 MI	0	5,000.0	10,922	Storage capacity for 1 600 HH equivalent	
	Diepsloot Reservoir 40 MI	0	3,000.0	10,922	Storage capacity upgrade for 40 000 HH equivalent	A
	Kensington B Reservoir 22MI	0	5,000.0	14,052	Storage capacity upgrade for 22 000 HH equivalent	D
	Linbro Park Tower 3.9 MI	34,239	25,000.0	0	Storage capacity 3,900 HH equivalent	E
	Bryanston Tower 1.5 MI	750	28,000.0	65000	Storage capacity 1 500 HH equivalent	B
	Carswald Reservoir 20 MI	40,000	30,000.0	35000	Storage capacity 20 000 HH equivalent	A
	Dobsonville Reservoir 15ML	0	5,000.0	5,000	Storage capacity 15 000 HH equivalent	C
	Doornkop West Reservoir 85 MI	0	5,000.0	5,000	Storage capacity 85,000 HH equivalent	C
	Kensington B Tower 0.5MI	0	3,000.0	10,000	Storage capacity 500 HH equivalent	D
	Cosmo City Reservoir 30MI	0	4,000.0	20,000	Storage capacity 30,000 HH equivalent	C
	Turffontein Redevelopment Corridor: Forest Hill Tower	6,000	28,195.0	20,000	Storage capacity 2 500 HH equivalent	D
	Kensington Booster 4.2ML	0	15,000.0	15,000	Storage capacity 4 200 HH equivalent	D
	Winchester Hills Reservoir 12ML	0	0.0	0	Storage capacity 12 000 HH equivalent	D
	Brixton Reservoir 2 26ML	2,000	0.0	0	Storage capacity 26 000 HH equivalent	D
	Crown Gardens Reservoir 20ML	0	0.0	0	Storage capacity 20 000 HH equivalent	D
	Crosby Tower 1.4ML	0	0.0	0	Storage capacity 1 400 HH equivalent	D
	Crosby Bulk Pipeline	98,000	50,000.0	45,000		D
	Honeydew Pump station	0	5,000.0	10,000		C
	Linksfild Reservoir 40ML	0	5,000.0	10,000	Storage capacity 40 000HH equivalent	D
	Ennerdale Reservoir - 50 MI	0	10,000.0	10,000	Storage capacity 50 000HH equivalent	G

NAME OF PROGRAM	PROJECT NAME	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	RETURN ON INVESTMENT	COJ REGIONS
Sewer Upgrade	Sewer Pipe Replacement (City Wide)	168,964	206,341.0	208,000	Reduced number of blockages per 100 meters.	City Wide
Water Upgrade	Water Pipe Upgrade (Networks)	85,400	85,483.0	96,073	To maintain capacity for current demand and create capacity for future demand to support developments	City Wide
Other	Small projects, IT, engineering studies and operational capital	121,631	137,363.4	113,000	Water supply continuity	City Wide
TOTAL		1,703,880	1,960,125	1,984,507		

ANNEXURE B: STRATEGIC RISK REGISTER

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK				CONTROL ASSESSMENT		RESIDUAL RISK		RISK RESPONSE	TAS INTERVENTION	RISK TREATMENT					
			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE			RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER
1	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)	Environmental	Climate Change & Water Security	Johannesburg Water has zero appetite for water insecurity and is committed to ensuring equitable access to safe, reliable drinking water and sanitation services that meet the City's minimum service delivery standards. We recognise the growing demand on the water network and we will actively manage this through our Water Conservation and Water Demand Management Strategy and Drought Management Plan. While we have zero appetite for systemic failures in water security, we accept a low risk tolerance related to the evolving nature of climate change. We acknowledge its negative impact on infrastructure, water security and long-term service sustainability and	Risk Minimalist	Low	Security of Supply (Water demands outstripping supply)	Inability of Johannesburg Water to guarantee service provision to communities and compromised long-term contribution towards City's economic development.	1. Potential breakdown in strategic international relationships (i.e. Lesotho may cause significant disruptions to the Lesotho Highlands Water Project) 2. Climate Change - Drought/severe weather conditions 2. Environmental pollution due acid mine drainage, sewerage overflows (i.e. WWTW, sewer spillages, sewer networks, sewer pump stations, informal settlements) 3. Higher than projected demand growth (i.e. High rate of Urbanisations/ Migration into CoJ) 4. Vandalism and theft of sewer and water assets 5. Unaccounted-for water (i.e. illegal connections) 6. Inefficient use of water (i.e. higher than average water usage and wastage)	1. Significant Water Supply Disruptions and Restrictions 2. Higher frequency and prolonged water supply outages 3. Community dissatisfaction and Service delivery protests 4. Private Corporates and Residential Consumers moving to Off-Grid Water Solutions i.e., Boreholes, Rainwater Harvesting, Treatment plants, etc. 5. Outmigration of Consumers to Neighbouring Municipalities but more importantly, affluent/ high-net worth and paying customers migrating to City of Cape Town. (this can directly contribute to City's lower revenues and indirectly to urban decay - Hi-jacking of empty homes/ buildings)	Construction of Under-ground Water Storage Facilities in collaboration with JRA for stormwater channelling to avoid water excessive filtering through to river systems to ocean (Catch and Store Facilities)	Chief Operations Officer	5	5	25	Very High	1. Education and awareness to raise the level of understanding of the value of water and ensure meaningful buy-in and ownership by community. 2. Quarterly Forums with Rand Water. 3. Participation in SALGA/DWS Stakeholder forums. 4. Active and Passive Leakage detection. 5. Pressure Management. 6. Infrastructure Upgrade & Renewal Plan (Water & Sewer pipe replacement programme) 7. Maintenance Plan (i.e. proactive & re-active) 7. Availability of Water tankers for alternative supply 8. Bulk water storage capacity available through Reservoirs 9. Disincentive tariffs to discourage excessive water use. 10. Promote effluent re-use. 11. Improved turnaround time for repairs and maintenance.	Ineffective	80%	20	Very High	Treat	SS4: Ramp up investment in both asset renewal and expansion.	Water Resilience Strategies (i.e., Diversifying Water Sources - e.g. Alternative Water - acid mine drainage, ground water, effluent reuse)	COO	1. Developing a Strategy to inform decisions related to introduction of Alternative Water sources that explicitly addresses the costs-risk trade-off. 2. Secure Performance-based Contract for Non-Revenue Water Reduction 3. Pursue Boreholes for Water Supply to Informal Settlements 4. Implement a Board approved Effluent Reuse Strategy (Pursue Agreements for effluent reuse/ Equip boreholes to become operational & billed).	1. 30 Jun 2026 2. 31 Dec 2025 3. 30 Jun 2026 4. 30 Jun 2026	1. SM: WDM 2. SM: IPAM 3. SM: WDM & TS 4. SM: WDM & TS

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK				CONTROL ASSESSMENT		RESIDUAL RISK		TAS INTERVENTION	RISK TREATMENT					
			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE		RATING	RISK RESPONSE	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE
1	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)			in recognition of the substantial upfront capital investment required; we are committed to aligning our design standards and specifications to mitigate climate risks and to enhance infrastructure resilience by implementing staggered just-transition strategies for climate adaptation and mitigation. We will furthermore pursue diversification of water sources and actively implement the City's Water Security Strategy to ensure sustainable water services.			from resource point, & imposed water restrictions) 11. Significant third-party reliance - Rand water a Sole Provider (i.e. Rand water bulk infrastructure failures) 12. Lack of optimal water supply mix 13. Poor prioritization of Community areas with direct supply of water from Rand water and historical townships (are the new reservoirs/ towers addressing direct feeds in addition to new developments - IPAM) 14. Reliance on CoJ for Budget availability to enable implementation of mitigation strategy (i.e. autonomy for financial decision making) 15. Re-prioritization of a limited budget creating conditions for prolonged timelines	6. Loss of Economic development and growth within CoJ 7. Compromised public health 8. Exceeding IVRS Licence apportionment Targets 9. Increases in tariffs (i.e., unsustainability of the COJ tariff structure) 10. Increased Cost of Water Supply 11. Delays in achieving sustainable development (SDG6 - i.e. negative environmental impact) 12. Widespread Media Enquiries 13. Damage to Johannesburg Water Reputation 14. Private Sector Competition - Privatisation of Water Services similar to IPPs in Electricity (Private Sector may lobby for legislation in taking this route posing as a threat to Johannesburg Water & Randwater,		Implementation Rate of Overall WCWDM Strategy per inception period to date Average Number of Supply Disruptions per year (& Growth Rate) Number of Days per Annum (365 Days) with Reservoir Levels under 75% capacity Growth Rate in Water Demand Water Tankers Availability Rate per Total Number Informal Settlements Average Water Tenders Availability Rate per Population Size per I/S							12. By-law enforcement - illegal connections cut-off. 13. Repair of leaking reservoirs/Towers and their pipe work. 14. Retrofitting and removal of wasteful devices inside properties. 15. Drought Management Plan in place. 16. Water Resilience Strategy (COJ) 17. Climate Action Plan (COJ - reduction of environmental pollution (Ntokozo) 9. Physical security stationed at critical sites (i.e. Depots, WWTW & high-risk reservoirs) 17. Industrial effluent discharge permits & tariffs (i.e. Water Services By-laws) 18. COJ Monitoring of rivers and streams (EISD) 19. Spillages reports Johannesburg Water (i.e. measure impact of spillages on environment)								5. Secure Contractual Agreements & Plans for Dewatering Gautrain Shafts (i.e., Establishment of Water Treatment & Storage Facilities) 6. Support the Implementation of Lesotho highlands phase II by 2026. 7. Implementation of measures in line with project 1600. 8. Participate in the Rand Water and Johannesburg Water PRV Project 9. Effluent Reclamation (Benchmarking between CoJ-City of Windhoek) 10. Purchase and/ or hire mobile generators/ Installation of Fixed Generators at Critical Pump Stations	5. 30 Jun 2026 6. 30 Jun 2026 7. 30 Jun 2026 8. 30 Jun 2025 9. 30 Jun 2026 10. 30 Jun 2026	5. M: Innovation & Tech 6. GM: IPAM 7. SM: WDM & TS 8. SM: WDM & TS 9. M: Innovation & Tech 10. SM: WDM & TS

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			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE			RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER
1	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)						for project implementation (i.e. continued growth in infrastructure backlogs) 16. Structural & operational challenges in Rand water's infrastructure & operational Systems (i.e. breakdowns/ supply interruptions) 17. Inadequate and Unreliable emergency supply measures (i.e., Water Tankering)	this may affect the entire water value chain whereby Private Sector becomes largely involved from extraction, treatment and distribution/ supply).																11. Maintain deployed Security Guards at all Critical Pump Stations, Reservoirs and Towers.	9. 30 Jun 2026	11. M. Security		
2	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Governance	Financial Sustainability	Johannesburg Water has zero appetite for risks that compromise water security, ensuring that all residents have equitable access to water and sanitation services that meet the City's minimum service delivery standards. We are committed to managing rising demand through equitable distribution, proactive planning and sustainable resource management. Recognising the impact of global and domestic socio-economic	Risk Minimalist	Low	Declining Payment Levels	Revenue management and credit control systems inefficiencies and weak economic environment contributing towards systematic decline in payment levels and subsequent growth in consumer debt.	1. Inaccurate customer master-record database (i.e., basic customer information) 2. Billing data inaccuracies (i.e. Unauthorised credit adjustments processed by CoJ without approval from Johannesburg Water, exception reports issued by COJ - incorrect tariffs, duplicate meters etc.) 3. Customer perception of unaffordable tariffs (i.e. Inclining Block Tariffs)	1. Failure to meet financial obligations (i.e. payment of employees, bulk supplier and service providers) 2. Non-compliance with Companies Act on trading recklessly 3. Increased financial dependency on shareholder (CoJ) 4. Reliance on overdraft facilities 5. Lack of funding for critical operational and capital expenditure	Explore how Johannesburg Water can expand its business offering by becoming a Service Provider to struggling and smaller municipalities in terms of specialist water skills - providing consulting services (e.g. ERWAT)	Billing Ratio	Chief Financial Officer	5	5	25	Very High	1. Monthly Financial Reporting 2. Provision of support to the City's revenue management strategy (i.e. billing & credit control war-rooms) 3. SLA agency agreement between City of Johannesburg and Johannesburg Water 4. COJ Credit control management policy 5. Increased focus on Johannesburg Water approved Credit Control Strategy for large arrears and LWU 6. Signed-off Metering and Credit Control Standard Operating Procedures	Ineffective	80%	20	Very High	Treat & Share with CoJ SS 1: Re-align the customer and revenue value chain and increase cash collections.	Customer Relations Management Initiatives	CFO	1. Secure Customer Relations Management Contract Management Agent 2. Implement the CRM system 3. Implementation of systems interface between SAP & IMQS and serialization of meters	1. 31 Dec 2025 2. 30 Jun 2026 3. 31 Dec 2025	1. SM: M & R 2. CIO 3. CIO

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK				CONTROL ASSESSMENT		RESIDUAL RISK		RISK RESPONSE	TAS INTERVENTION	RISK TREATMENT				
			THEME	RISK APPETITE STATEMENT	POSTURE	APPETITE LEVEL			NEGATIVE/ ADVERSE CONSEQUENCES	POSITIVE CONSEQUENCES/ OPPORTUNITIES			LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE	RATING			RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER
2	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)			conditions, we accept a low risk tolerance for under-investment in water and sanitation infrastructure and operations. We will furthermore prioritise integrated, forward-looking planning, robust asset management programmes and long-term financial sustainability, underpinned by solvency, profitability, and liquidity strategies to support governance stability and safeguard the City's water security. Our approach ensures a resilient, financially sound, and future-fit water infrastructure network that upholds the highest standards of service delivery, governance, and sustainability.					4. High bills issued to Customers due to correction of errors and omissions by Johannesburg Water 5. Unbillable meter readings (i.e. unprocessed meter data updates, technical faults, illegal connections, LTA's, etc. resulting in estimates) 6. Limited and ineffective disconnections (i.e. lack of appropriate technology, LTAs, technical faults and administrative errors, poor assignment of disconnection instructions by COJ on a weekly basis) 7. Lack of legal collections for accounts handed over 8. Fleet availability challenges impacting meter reading	6. Business rescue (i.e. Going concern) 7. Service delivery failures	Increasing Customer Queries Growth Rate of Debt Book Decline Rate in (closure of) affluent household / business Accounts (Revenue Base) Rate of Meters on the Ground but not on Financial System Ratio of Water Meters (Bulk & Household) Non-compliant with Legal Metrology Act for Billing						7. COJ Anonymous tip-offline 8. ROUTE Master (RMA) - electronic meter reading, capturing, disconnections and multiple validation of meter readings 9. Expanded social package programme (ESP) for customers that cannot afford water and sanitation services 10. Stakeholder engagements between the City and Department of Water and Sanitation on Rand Water tariffs; and between Johannesburg Water, Community Leaders and customers around LTAs 11. Systems in place to replace faulty meters: T-codes replacement project 12. Progressive annual review and implementation of Tariffs (i.e. balancing cost recovery and affordability) 13. CoJ Off-Grid Water Services Policy								4. Capacitate the query-management department to effectively deal with and resolve queries within 30 days before escalation 5. Pursue revised internal credit control strategy to collect large arrears & large water user accounts-Implementation of SLA with RSSC for collections 6. Procurement of effective meter restriction valves 7. Implement ongoing Stand-by-Stand Audit 8. Implement systems integration to reduce manual processes and to improve revenue data usability	4. 31 Jul 2025 5. 30 Jun 2026 6. 30 Jun 2026 7. 30 Jun 2026 8. 31 Jul 2025	4. SM: M & R 5. GM: Fin 6. SM: M & R 7. SM: M & R 8. CIO

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			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE			RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER							
2	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)						9. Lack of integrated credit management systems to coordinate credit management activities (i.e. CoJ running on spreadsheets whereas Johannesburg Water runs on Routemaster which is not linked to SAP and Outdated SAP IS-U & CRM System to support credit control management) 10. Ineffective By-law enforcement on Illegal connections and lack of legal process (i.e. Lack of capacity to do physical cut-offs and follow ups on previous disconnections & penalties not effected on customer bill) 11. Meters physically removed from the ground and system due to credit control actions & suspected illegal connections but subsequently replaced on the ground and not on the system																		9. Develop and implement a strategy to resolve technical faults within 7 days of reporting	9. 31 Jul 2025	9. SM: WDM & TS		10. Develop and implement a Consumer Outreach Programme which will present consistent and measurable effect of stakeholder relations on billing and collections (ability to access the areas)	10. 31 Dec 2025	10. EM: SRC		11. Stakeholder Engagement Strategy - Councillor engagement in LTA areas	11. 30 Jun 2026	11. EM: SRC

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK				CONTROL ASSESSMENT		RESIDUAL RISK		RISK RESPONSE	TAS INTERVENTION	RISK TREATMENT					
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2	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)						12. Culture of Non-payment / unwillingness to pay for services (political motivated or otherwise) 13. Residents' resistance to metering (i.e. new or replacement conventional (i.e. LTA) and pre-paid meters) 14. Override of credit control procedures in issuing instructions for reconnections without payment or an AOD. 15. Inadequate consumer awareness and education on ESP packages for qualifying indigent residents (i.e. impact on billing & payment levels). 16. Poor accessibility of limited technical access (LTA) areas for meter reading, disconnections and resolution of technical faults 17. Proliferation of Off-Grid Water Services (i.e. Commercial and Household Boreholes)																					

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3	SG 1 - Utilise infrastructure delivery to create jobs, support SMMEs and attract investments.	Governance	Financial Sustainability	Johannesburg Water has zero appetite for risks that compromise water security, ensuring that all residents have equitable access to water and sanitation services that meet the City's minimum service delivery standards. We are committed to managing rising demand through equitable distribution, proactive planning and sustainable resource management.	Risk Minimalist Low	Inadequate Funding of Infrastructure & Operations (Incl. Renewal, Mega & Expansion Projects)	Inability by the City to provide sufficient budgets to sustain Johannesburg Water despite adequate levels of financial performance by the Entity justifying the funding requirements, which is furthermore exacerbated by the recent weak economic environment leading to the declining revenue recovery and collection levels.	1. City's centralised organisational governance & financial model and limited transparency into its financial planning and allocation process (i.e. Johannesburg Water's lack of financial management autonomy and inability to secure direct funding on own balance sheet due to COJ controlled Budget & Treasury across the Group and possible disproportionate allocation of funds which compromises Johannesburg Water service delivery) 2. Downwards Rebasing of the Budget (Opex & Capex) 3. High rate of dispute of municipal billing and accounts by consumers 4. Declining collection levels affecting self-funding of infrastructure renewal (Low payment levels leading up to increasing bad debts)	1. Failure to meet financial obligations. 2. Increased financial dependency on the Shareholder. 3. Business Rescue. 4. Premature Infrastructure Failure 5. Increased Operational Costs (i.e. Significantly higher costs of repairs and maintenance) 6. Non-compliance with legislation (i.e. NWA, WSA - Directives from National Department of Water & Sanitation; MFMA - Section 99 - 30 Days & Section 32 & 62(1)(d) - UIFWE) 7. Revenue declines due to Consumer shift towards alternative water and sewer	Financing derived from NT Metro Trading Services Infrastructure Reforms	Growth Rate of Infrastructure Backlog (% and Rand values).	Chief Financial Officer	5	5	25	Very High	1. Long-term Financial Modelling 2. Revenue turn-around strategy 3. Budget Prioritisation within the existing parameters (the control is the key gate keeper for prioritisation and the main trigger for the departments to evaluate which projects are key to be implemented based on limited budget) 4. Re-allocate budget to key priorities (Linking of the budget to KPIs) 5. Ongoing engagement with CoJ regarding cash payment controls 6. Johannesburg Water engaged in CoJ Collections War-room 7. Comprehensive business plan	Ineffective 80%	20	Very High	Treat SS4: Ramp up investment in both asset renewal and expansion	Long-term Strategic Shifts	CFO	1. Implementation of TAS 2024 (25/26 Milestones)	1. 30 Jun 2026	1.GM: Fin

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3	SG 1 - Utilise infrastructure delivery to create jobs, support SMMEs and attract investments. (cont.)						4. Lack of re-investment of earned revenues and savings back into revenue generating assets		PPP - Securing Public Private Partnerships through GTAC	Growth Rate on CAPEX Budget														2. Pursue alternative funding through off balance sheet models and revenue sharing initiatives to augment capital budget short falls	1. 30 Jun 2026	2. SM: MA	
				Recognising the impact of global and domestic socio-economic conditions, we accept a low risk tolerance for under-investment in water and sanitation infrastructure and operations. We will furthermore prioritise integrated, forward-looking planning, robust asset management programmes and long-term financial sustainability, underpinned by solvency, profitability, and liquidity strategies to support governance stability and safeguard the City's water security. Our approach ensures a resilient, financially sound, and future-fit water infrastructure network that upholds the highest standards of service delivery, governance, and sustainability.			The ultimate outcome is the current under-investment in infrastructure which has led to deterioration and collapse of infrastructure & service delivery failures. The pace of renewal is significantly below the norm of 2 % with the current level being lower than 1 % due to budget constraints.	5. Reliance on CoJ for cash collection with RSSC (i.e. challenges to pursue alternative collection strategies) 6. Credit rating of City Treasury & Sovereign (S.A.) rating (challenges of accessing funding markets independently thus impacting on City & Entities securing loans & investments and increased borrowing costs) 7. Reduction in Government Grants by National Treasury due to a Weak Economy 8. Poor state of the City's Group Financial Health which impacts Johannesburg Water to function independently	8. Overspending on Opex & Capex Budgets (continued delivery of services despite under-funding e.g. nominal services) 9. Underspending on Infrastructure renewal 10. Inability to fill critical positions 11. Increased Labour Costs (i.e. Overtime, etc.) 12. Poor Service Delivery 13. Deterioration of infrastructure having a negative impact on service delivery (i.e. Assets exceeding useful life) 14. Loss of economic investment opportunities (i.e. disapproval of new development applications). 25. Third party insurance claims	The COJ Infrastructure Fund has been approved for establishment.	Growth Rate on Infrastructure Renewal Rate	Repairs and Maintenance Ratio	Growth Rate on Repairs and Maintenance Budget	Growth Rate in Incomplete Infrastructure Projects Implemented (Spending but not completed as planned)	8. Ten (10) year Infrastructure Masterplan (Infrastructure Planning) 9. Annual budget proposals submitted to COJ (i.e. tariff setting, etc.) 10. Integrated Asset Management Plan 11. Extensive engagement with shareholder at the Budget Steering Committee 12. Spending at least 95% of the allocated budget as part of the motivation for next budget allocation 13. Ongoing engagement held with PPP Office in COJ 14. Budget & Budget Steering Committee (Engaging COJ on receipt of Grants in alignment with conditional allocation made by NT to COJ - USDG, UISP & Equitable Share)								Revenue Enhancement Initiatives	CFO	5. Internal Credit Control Strategy to collect Large Arrears & Large Water Users 6. Improve Meter-Reading Ratio - Percentage actual water meter reading submitted to bill	3. 30 Jun 2026 4. 30 Jun 2026 5. 30 Jun 2025 6. 30 Jun 2026	3. SM: M & R 4. SM: MA 5. SM: M & R 7. SM: M & R

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4	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Governance	Financial Sustainability	Johannesburg Water has zero appetite for risks that compromise water security, ensuring that all residents have equitable access to water and sanitation services that meet the City's minimum service delivery standards. We are committed to managing rising demand through equitable distribution, proactive planning and sustainable resource management. Recognising the impact of global and domestic socio-economic conditions, we accept a low risk tolerance for under-investment in water and sanitation infrastructure and operations. We will furthermore prioritise integrated, forward-looking planning, robust asset management programmes and long-term financial sustainability, underpinned by solvency, profitability, and liquidity strategies to support governance stability and safeguard	Risk Minimalist	Low	Increasing Non-Revenue Water	Inability by Johannesburg Water to safeguard water resources and ensure financially sustainable supply to customers.	1. Unmetered formal settlements/ townships (i.e. Unproclaimed settlements for Low income housing projects) 2. Unmetered informal settlements for monitoring consumption beyond 6 kl and for billing 3. Inability to enforce By-laws on Illegal connections (i.e. inadequate law enforcement capacity - JMPD/ SAPS) 4. Uncontrolled land invasion which results in connecting to water system illegally (i.e. Informal Settlements). 5. Culture of Non-payment / unwillingness to pay for services (i.e. Lack of political leadership/ support or otherwise) 6. Theft of Water by Third parties (i.e. contractors, truckers, carwashes, etc.)	1. Loss of revenue 2. Water disruptions 3. Community unrest due to water disruptions 4. Reduction of financial viability 5. Rand water non-approval of new water connections above current allocation (resulting in delays in new developments in the City due to restrictions and consequently higher water inefficiencies.) 6. Loss of water supply capacity (i.e. Water Shedding) 7. Loss of Economic Investment Opportunities 8. Reputational Damage 9. Impact of Blue Drop & No-Drop Status 10. Increased Cost of Water Supply 11. Inefficient use of Natural Resources 12. Water Supply restrictions by the Bulk Supplier	None	Growth Rate on Non-Revenue Losses	Chief Operations Officer	5	5	25	Very High	1. Water Conservation and Water Demand Management Interventions (which includes the following: Meter Reading to check the trends of water usage, Meter maintenance teams (T-codes), Reactive repairs and maintenance teams, active and passive leak detection teams (Unaccounted for Water), Preventative maintains teams (Valve repairs, PRV maintenance), Cut-off to illegal connection and non-paying customers, Rehabilitation of Reservoirs, Mains Replacement, STS Pre-paid Metering), By-law enforcement, Replacement of LWU with Smart Meters, Minimum Nightflow Analysis and Pressure Management. 2. Escort services provided to team performing disconnections and meter reading teams on a day-to-day basis (i.e. WhatsApp groups in place for real time communications) 3. Implementation of Security Patrols to patrols after cut-offs on illegal connections in informal settlements	Ineffective	80%	20	Very High	Treat	SS4: Ramp up investment in both asset renewal and expansion	Water Conservation & Water Demand Management Strategy (WCWDM)	COO	1. Secure NRW Performance Based Contract - Reduction of NRW 2. Implementation of Water Demand Management Projects in Orange Farm, Soweto and Cosmo City (i.e. Installation of STS meters). 3. Water Meter replacements Projects (i.e. Conventional meters) 4. PRV Maintenance on monthly basis 5. Implementation of City By-laws in relation to illegal connections and credit control management 6. Implementation of Smart Leak Detection in identified water zones	1. 30 Jun 2026 2. 30 Jun 2026 3. 30 Jun 2026 4. 30 Jun 2026 5. 30 Jun 2026 6. 30 Jun 2026	1.GM: OPS 2. GM: CAPEX 3. SM: WDM & TS 4. SM: WDM & TS 5. SM: MR 6. SM: WDM & TS

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4	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)		the City's water security. Our approach ensures a resilient, financially sound, and future-fit water infrastructure network that upholds the highest standards of service delivery, governance, and sustainability.					7. CoJ inefficiencies in credit control measures 8. Aged Infrastructure 9. Theft and vandalism of water infrastructure. 10. Reluctance to accept new/ replacement water meter installations in unmetered areas (i.e. access restrictions) resulting in access to free water. 11. High number of technical faults on meters 12. Old and ineffective prepaid metering technology 13. Inaccuracy of meter readings (i.e. Billing disputes) 14. Underfunding of Budgets to implement Water Demand Management Projects			Growth Rate in Ave. Cost of Emergency Water Supply due to Disruptions Rate of Metered vs. Unmetered Connections					4. Engagement of Business, Industrial and Institutions which are high water users on WCWDM in their properties 5. CoJ Development Planning Section for township applications at Human Settlement & Housing on proclamation of townships (i.e. Johannesburg Water Development Control consideration of Water and Sanitation infrastructure requirements) 6. Approved Stakeholder Engagement Strategy									7. Expansion of Smart Controlled Pressure Management Controllers 8. Mains Replacement Programme 9. Repairs of Leaking Reservoirs and Towers. 10. Restriction Valves 11. Repair and Replacement of Zone Bulk Flow Meters 12. Active and Passive Leak Detection 13. Installation of Smart Flow Control Valves 14. Establishing new pressure management zones and minimum night flow analysis	7. 30 Jun 2026 8. 30 Jun 2026 9. 30 Jun 2026 10. 30 Jun 2026 11. 30 Jun 2026 12. 30 Jun 2026 13. 30 Jun 2026 14. 30 Jun 2026	7. SM: WDM & TS 8. GM: CAPEX 9. GM: CAPEX 10. SM: MR 11. SM: WDM & TS 12. SM: WDM & TS 13. GM: Capex 14. SM: WDM & TS	

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4	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)																							15. Installing prepayment meters in deemed consumption areas	15. 30 Jun 2026	15. SM: WDM & TS			
																								16. Stakeholder Engagement Strategy- Councilor engagement in LTA areas	16. 30 Jun 2025	16. EM: SRC			
5	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient.	Environmental	Infrastructure Resilience	Johannesburg Water is committed to protecting public health, preserving ecosystem integrity, and ensuring sustainable water resource management. As such, we have zero appetite for risks associated with wastewater infrastructure failures that could compromise environmental sustainability, regulatory compliance, or community well-being. We will prioritise long-term, well-funded infrastructure investment plans incorporating water-sensitive design principles to ensure system resilience and service continuity; proactive maintenance, security and contingency planning to prevent	Risk Averse	Zero	Bulk Infrastructure Failure	Inability of Johannesburg Water to guarantee service provision to communities and compromised long-term contribution towards City's economic development.	1.Under-investment in infrastructure increasing backlogs (the required rate of infrastructure replacement supersedes the execution) 2. Growing number and size of Informal Settlements (i.e. Uncontrolled Land Invasion which compromised the Project Impacts as the land invaders in turn connects to the infrastructure system which compromised the integrity of infrastructure and reduce the design period) 3. Various Community Forums which create delays in Infrastructure project implementation.	1. Leaking reservoirs 2. Water supply disruptions 3. Sewer spillages 4. Compromised public health 5. Community unrest 6. Increased cost of reactive maintenance (i.e. bioremediation, Off-site services)	None	Growth Rate in Water Pipe Bursts	Chief Operations Officer	5	5	25	Very High	1. Implementation of Projects within Budget Scope. 2. Reaction maintenance Teams to attend to infrastructure failures on short term basis. 3. Active Leak Detection teams 4. Preventative Maintenance 5. Multiple water supply systems at various ages to limit supply disruptions. 6. Security guards at critical infrastructure sites 7. City By-laws for Land invasion	Ineffective	80%	20	Very High	Treat	SS4: Ramp up investment in both asset renewal and expansion	10 Year Implementation of the Infrastructure Renewal Plan (IRP)	COO	1. Domestic and Large Consumer Meter Replacement	1. 30 Jun 2026	1. GM: CAPEX
												Growth Rate in Sewer Pipe Bursts												2.Capacity expansion of the treatment works (NWWTW- 2025 & Ennerdale- 2026 & Lanseria - 2030).	2. 30 Jun 2030	2. GM: OPS			
												Infrastructure Renewal Rate												3. Implementation of the Water & Sewer Capacity Expansion Projects (portion of actions relevant to 2024/25)	3. 30 Jun 2026	3. GM: CAPEX			

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5.	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)			service disruptions and environmental hazards, and inclusive consumer education programmes that promote responsible water and wastewater infrastructure & services usage and public awareness. Through this approach, we aim to uphold the highest standards of water and wastewater management, environmental stewardship, and regulatory compliance, securing a sustainable and resilient water future for the City.			4. Significant ageing of Infrastructure 5. Water security supply due to delays to Lesotho Highlands Projects Phase 2 6. Misuse, vandalism and theft of infrastructure 7. Older City with exponential growth in Population over time 8. Inadequate preventative maintenance 9. Increasing rate of climate change adverse events			Rate of Water Distribution System Integrity Bulk Sanitation Infrastructure Failure Rate Planned Maintenance Ratio (cost)															4. Water and Sewer Mains Replacement Programme 5. Implementation of Water and Sanitation Development Control measures in line with CoJ planning 6. Education and awareness to Communities encroaching on Johannesburg Water Infrastructure	4. 30 Jun 2026 5. 30 Jun 2026 6. 30 Jun 2026	4. GM: CAPEX 5. SM: IPAM 6. EM: SRC
6	SG 3 - Operate in a manner that promotes environmental conservation and sustainability.	Environmental Resilience	Infrastructure Resilience	Johannesburg Water is committed to protecting public health, preserving ecosystem integrity, and ensuring sustainable water resource management. As such, we have zero appetite for risks associated with wastewater infrastructure failures that could compromise environmental sustainability, regulatory compliance,	Risk Averse	Zero	Wastewater Spillages	Inability for Johannesburg Water to secure adequate budgets to implement repairs and maintenance programmes & to upgrade capacity due to the extensive population growth of the City, ineffective planning regarding the continuing approval of	1. Inadequate Wastewater Treatment Capacity 2. Ageing infrastructure 3. Inadequate repairs and maintenance of Infrastructure budget 4. Lower infrastructure renewal rate below desired 1.5 % 5. Storm-water infiltration/ over flooding from higher rainfalls due to climate change	1. Loss of treatment capacity from sand ingress 2. Johannesburg Water reputational damage 3. W & S / Environmental Affairs/ GDARD Directives 4. Decay of aquatic life 5. Infringement of Public Health and Safety (i.e. Human rights - Sewer spillages impacting communities)	Biogas to Energy Project at WWTW Sale of Treated Sludge to Farming Community for Agricultural Purposes	Chief Operations Officer	5	5	25	Very High	1. Ensure that critical infrastructure is always locked. 2. Improve lighting around the works 3. Repair fencing. 4. Use cameras to monitor movement around the Works. 5. Optimise the seasonal operations of Bioreactors and dewatering equipment. 6. Periodical sand removal and cleaning of process unit.	Ineffective	80%	20	Very High	Treat	SS4: Ramp up investment in both asset renewal and expansion	Implementation of the Infrastructure renewal project (IRP), O & M	1.Development of framework contracts for the (electro-mechanical) repairs and monitoring of critical infrastructure. 2. Capacity expansion of the treatment works (NWWTW- 2025 & Ennerdale- 2026 & Lanseria - 2030)	1. 31 Dec 2025 2. 31 Dec 2030	1. SM: BWV 2. GM: CAPEX

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6	SG 3 - Operate in a manner that promotes environmental conservation and sustainability. (cont.)						14. Non-compliance with By-Laws (i.e., Industry contraventions - redirecting of stormwater into Gullies) 15. Loss Critical Skills & Institutional Memory 16. Inadequate public education and awareness on proper disposal of waste (i.e. public disposing foreign items into sewer network) 17. Lack of new revenue streams to augment revenue (i.e., sludge processing and sales; and Biogas production) 18. Changes to Legislation and inability for Business to effectively respond timely (i.e., Procurement Reforms resulting in operational disruptions - Suspension of tender processes)																Knowledge Management Strategy	EM- GLS	10. Establish Knowledge Management Function (i.e. Implementation of Knowledge Management Strategy)	10. 30 Jun 2026	10. EM- GLS	
																							Integrated Communication and Stakeholder Engagement Strategy	EM- SRC	11. Public Education on Abuse/ Vandalism of Wastewater Infrastructure	11. 30 Jun 2025	11. EM- SRC	

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK		CONTROL ASSESSMENT		RESIDUAL RISK		RISK RESPONSE	TAS INTERVENTION	RISK TREATMENT							
			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS			CONTROL EFFECTIVENESS	SCORE	RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER
7	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Governance	Stable Governance	Johannesburg Water has zero appetite for risks associated with governance failures, including maladministration, fraud, corruption, and gross negligence at any level — Leadership, Management, Employees, or Stakeholders. We are committed to maintaining an ethical, accountable, and future-fit Board and Executive Leadership, underpinned by robust governance frameworks that promote transparency, integrity, and inclusive transformation. We furthermore aim to ensure that our governance systems are designed to uphold the highest ethical standards, ensure regulatory compliance, and drive the long-term sustainability and resilience of the organisation.	Risk Averse	Zero	Significant Dependencies on City Compromising Long-term Planning, Optimal Operations/ Service Delivery & Sustainability	The Entity has significant reliance on the City as its Shareholder, and its autonomy and independence regulated by the governance framework in place. The failures in the application or adherence to this framework have the effect of compromising the Entity's core operations and contributing to key service delivery failures (i.e., controlling the entity outside of due process)	1. Weaknesses affecting the Centralised COJ systems of service delivery compromising the Entity's operating effectiveness and efficiency: 1.1 Budgeting/ Funding of the Entity - Budget and adjustment budget decisions and allocations centralised to RSSC, lower budget allocations, inability to re-invest into revenue generating assets, restricted expenditure/ spending 1.2 Revenue Collections Capabilities - Manual reconciliation of accounts, incorrect/ omitted billings, insufficient & ineffective revenue collection strategy 1.3 Fleet - Contracts not being renewed on time, performance contracts with services providers not concluded on service standards & instability of fleet availability, low vehicle availability affecting	1. Budgeting - Underfunded Operations & Infrastructure Development 2.Revenue Management - Under collection on revenue, Inability to re-invest into revenue generating assets, restricted expenditure/ spending, 3. Recruitment - Inability to fill positions within reasonable timelines 4. Inadequate insurance coverage with resultant claims rejections/ repudiations 5. Fleet - Ageing fleet, low vehicle availability affecting operational teams responsiveness 6.Procurement of Facilities - Frequent relocation with burden of extensive capital investment 7. Inability to pursue Funding Market Opportunities	None	Rate of UIFWE Attributable to City Processes Rate of Financial Allocations to Johannesburg Water Per Requested Cash Flows Number of Days in Overdue Account Payables (Creditors) Failure Rate in Service Requests (Time Taken to Conclude Service Request)	Executive Manager: Governance & Legal Services	5	5	25	Very High	1. Shareholder (MMC) and Chairperson of Board Quarterly meetings 2. CoJ and Johannesburg Water Service Delivery Agreement in place 2. Revenue centralised at RSSC 3. Revenue War-room at CoJ Fleet - COJ Structure in place where Johannesburg Water is represented 4. Budget presentation to the city annually to motivate for requests 5. Annual Insurance Renewal Programme 6. Approved Johannesburg Water Turnaround Strategy 2024 7. Group Governance Forum	Ineffective 80%	20	Very High	Treat SS3: Re-establish independent corporate governance for effective performance	COJ/ Johannesburg Water Service Delivery Agreement	EM: GLS	1. Fleet - Request COJ for Johannesburg Water to procure own vehicles 2. Engagement with JPC on options available (i.e. Procurement for Long-term Lease Agreement or permanent Johannesburg Water Head-Office) 3. Ongoing pursuit of revised internal credit control strategy to collect large arrears & large water users 4. Review & Finalisation of CoJ & Johannesburg Water Service Delivery Agreement (SDA) by the City - 90% progress on review by CoJ, next step consultations with Entities.	1. 30 Jun 2025 2. 30 Jun 2025 3. 30 Jun 2025 4. 31 Dec 2025	1. EM: HRCS 2. EM: HRCS 3. GM: Finance 4. EM: GLS	

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7	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)						operational teams responsiveness, inability to defleet with old vehicles prone to frequent breakdowns 1.4 Facilities Procurement - Short-term building lease agreements for Head Office (i.e. 3 yrs.) creating instability and need for frequent relocation with burden of extensive capital investment (JPC needing to comply with MFMA long-term lease requirements) 1.5 Insurance Policy - Inadequate insurance coverage, significant policy limitations (i.e. exclusions on core business) 1.6. Legal Services - Inappropriate allocation of services and management of centralised funding (i.e. billing challenges) 2. Restrictive CoJ directives on operational & financial requirements of Entity (i.e. Severity of prolonged restrictive measures) 3. Central control of Bank accounts per Shareholder Compact (i.e.	8. Growing & Ageing Creditors Book (i.e. Non-payment of suppliers/ creditors) 9. Non-compliance with MFMA (Section 99 - 30 Days & Section 32 & 62(1)(d) - UIFWE) 10. Underspending on Operational & Capex Budgets (Non-achievement of performance targets) 11. Project stoppages (i.e. Incurred standing time & cost escalations, negative impact on Contractor liquidity resulting in non-payment of Wages & poor performance, contractual breaches & penalties, contractors pulling out from Sites, theft of Site materials/ equipment & damages to project Work-in-progress) 12. Disintegrated development planning approvals (encroaching developments.) 13. Litigation 14. Negative Impact on Financial Ratios & Audited outcomes 15. Reputational damage		Cost of Contractual Failures													5. Proposed SOPs to CoJ (i.e. SLA's on functions covered in the SDA) 5.1 Fleet Management Services 5.2 Facilities Management Services 5.3 Insurance Management Services	5. 30 Jun 2026	5.3 EM: RCBC 5.1 EM: HRCS 5.2 EM: HRCS 5.3 EM: HRCS			

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7	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)						Bank-sweeping arrangements & costly inter-departmental charges (i.e. RSSC)) 4. Cross-subsidization of Core Departments and other Entities (i.e. Entities providing social services & those financially compromised) 5. Rebasings of Group Budget for group sustainability 6. Inability to enforce City-controlled contract penalty clauses for performance failure of centralised Service Providers (i.e., consistent delays in supply of service delivery vehicles)																						
8	SG 4 - Improve customer and stakeholder satisfaction.	Social	Public Trust and Confidence	Johannesburg Water, as a responsible and customer-centric organisation, has zero appetite for risks that compromise equitable access to water supply, water quality, or environmental sustainability, including poor water quality that threatens public health,	Risk Minimalist	Low	Stakeholder Dissatisfaction and Active Opposition	Deficiencies in the Operating Environment compromising effective planning and execution of Entity programs which results in service delivery challenges. It erodes established firm relations and results in consumer	1. Ageing and failing Infrastructure resulting in frequent service interruptions 2. Third party dependency on Bulk Supplier 3. Weaknesses in the Internal Control Environment - operational inefficiencies around systems and processes including project planning and	1. Service delivery protests, theft, vandalism and encroachment 2. Revenue losses - Consumers' deliberate refusal to pay for services 3. Vandalism & resultant higher costs of providing alternative water supply services and alternative energy supply for operations (i.e.	Formalised IGR Business Continuity & Disaster Management Structures with key Government Customers (i.e., DoH Hospitals, etc.)	Customer Complaints Resolution Rate	Rate of Customer Complaints on Billing Issues	Rate of Customer Complaints on Water Supply Issues	Executive Manager: Stakeholder Relations & Communications	5	5	25	Very High	1. Communication and Stakeholder Engagement Strategy (Targeted and Consistent engagements and consultations with all relevant stakeholders) 2. Awareness, education and outreach campaigns. 3. Customer Satisfaction Surveys conducted annually. 4. Functional Customer Care Centre in place.	Ineffective 80%	20	Very High	Treat SS 1: Re-align the customer and revenue value chain and increase cash collections.	Business Process Re-engineering	COO	1. Internal Control Systems Review (Business Process Re-engineering) 2. Public Education & Awareness on Tanker Services (Water Quality, handling, etc.) 3. Introduce a Single Water Outage Dashboard	1. 30 Jun 2026 2. 30 Jun 2026 3. 30 Jun 2026	1. GM: SME 3. EM: SRC 3. CIO

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8	SG 4 - Improve customer and stakeholder satisfaction. (cont.)			maintain water safety planning and quality management systems that ensure compliance and sustainability, and these efforts will be underpinned by strong, transparent, and proactive stakeholder engagement strategies to foster public trust, cultivate active citizenry, and strengthen service accountability.			6. Distortion of information from political leaders, use of alternative communication measures to reach the community (consider alternative engagement strategies & medium) 7. Prolonged planned shutdowns of water supply due to unrealistic timelines on the reasonable return to normal supply (i.e., Estimated timelines without range - e.g. 48 - 120 Hours - Bulk Supplier timelines may be achieved for repairs & maintenance but recovery of Johannesburg Water Systems for return to normal supply to residents may be prolonged) 8. Breakdown in information dissemination value chain (Information flow delays from Bulk Supplier and Internal Departments) 9. Consumer anxiety and rejection on the use of alternative water supply mechanisms									16. Provision of nominal services as and when required 17. Preventative Sewer Maintenance 18. Bioremediation after each spillage event. 19. Alternative power supply and remote monitoring (Telemetry system). 20. Security guards at critical infrastructure 21. Regular cleaning of reservoirs and towers 22. Regular drinking water quality testing (throughout network & Potable Water Tankers)						Customer Relations Management Strategy	CFO	9. Implement a Full and Integrated Customer Management System	9. 30 Jun 2026	8 GM: Finance		

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8.	SG 4 - Improve customer and stakeholder satisfaction. (cont.)							(i.e. Roaming Water Tankers) due to criminal activities and fear for personal safety and subsequent harassment of water tanker service providers 10. Incoherent City-wide Communication (i.e. Forum presently non-functional to promote coherent city wide communication strategies; Confusion of roles between Johannesburg Water, the City and other Entities) 11. Stakeholder Relations & Communications Functions not effectively designed to match scope of Operations 12. Inadequate human resources capacity commensurate with the size of the City and desired scope of reach vis-à-vis business expectations 13. Inadequate funding/ budgets for reach of high density/ congested township settlements with limited entry points or accessibility and mobility for public awareness (i.e. Door to door campaigns, Loud hailing, street corner exhibitions, etc.)																					

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8.	SG 4 - Improve customer and stakeholder satisfaction. (cont.)							14. Inadequate technological support systems (No automated Customer Relationship Management System - Call Centre and social media).15. Fake news 16. Sponsored conflicting media narratives i.e., from political parties and interest groups 17. Negative stakeholder perceptions on Entity performance (i.e. stakeholder perception of Entity obtaining good performance results without service delivery improvements and satisfaction on the ground/ at Community level) 18. Perceptions of Instability due to constant changes in the City's Multiparty Government structure and potential reprioritization of business objectives 19. Conflating the State and Party politics (i.e. Interference with service delivery operations - partial scrapping of debt book) 20. Increased Capacity Demands due to population growth																					

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8	SG 4 - Improve customer and stakeholder satisfaction. (cont.)							21. Inadequate preparedness for natural disasters 22. Injuries and Fatalities to Third Parties as a result of Operational Inefficiencies, theft and vandalism of Johannesburg Water Infrastructure 23. Non-compliance with applicable legislation/ Regulations 24. Internal information leaks from employees																					
9	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Governance	Stable Governance	Johannesburg Water has zero appetite for risks associated with governance failures, including maladministration, fraud, corruption, and gross negligence at any level — Leadership, Management, Employees, or Stakeholders. We are committed to maintaining an ethical, accountable, and future-fit Board and Executive Leadership, underpinned by robust governance frameworks that promote transparency, integrity, and inclusive transformation.	Risk Averse	Zero	Failure of the Johannesburg Water Turnaround Strategy 2024	The Johannesburg Water Turnaround Strategy has a high dependency factor on the city which limits control over the critical decisions and actions by Johannesburg Water. Lack of buy-in from the City and insufficient internal capabilities (i.e., people, finances, systems and processes) may expose the Turnaround Strategy to failures which may render its implementation ineffective.	1. Lack of consensus, inadequate buy-in and/or poor alignment between key role players on implementation of the turnaround strategy 2. Inadequate political ownership and accountability over the lifetime of the turnaround strategy (i.e., frequent changes at political leadership - i.e., Coalition Government Instability) 3. Delayed decision making at approval and for the duration of the turnaround strategy (i.e., critical decisions taken too late.)	1. Collapse of Water and Sanitation Infrastructure and Service Delivery 2. Public Health Crisis 3. Increased organisation and mobilisation amongst various interest groups with power to influence government policies and the business sector (i.e., Loss of Public Confidence in the turnaround strategy efforts) 4. Loss of Investor confidence & growing disinvestment risk by multinational corporations from Johannesburg	None	Rate of TAS Milestones achieved with 3 months deviation from set timelines. TAS Budget Allocations with more than 25% deviation from approved TAS Figures. Board Turnover Rate Staff Turnover Rate in TAS Critical Departments (i.e., CAPEX, OPS, SCM, etc.)	Managing Director	5	5	25	Very High	1. Johannesburg Water Turnaround Strategy approved by EMT on 24 May 2024 2. Collaboration between CoJ and Johannesburg Water on development and approval of Strategic Shifts by MMC EISD, MMC Finance 3. National Treasury Guidance note issued to CoJ with implications of non-approval 4. Established CoJ and Johannesburg Water Work streams 5. Johannesburg Water TAS Implementation Steering Committee 6. Independent support from City Support Programme (National Treasury)	Less Effective	60%	15	High	Treat	SS 2: Restructure the financial relationship with the City for mutual success.	Johannesburg Water TAS Implementation Plan	Project Manager: TAS 24	1. Review and Approval of Shareholders Compact & Service Delivery Agreement 2. Securing Contract Management Agent for the Revenue Integration into Johannesburg Water 3. TAS Implementation Rate per Targeted Timelines 4. Expansion of SCM Structures for greater Capex Tenders (i.e., Establish multiple BSC/BAC Committees)	1. 31 Dec 2025 2. 30 Jun 2026 3. 30 Jun 2026 4. 30 Jun 2026	1. FM: GLS 2. CFO 3. PM: TAS 4. SM: SCM

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9	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)			We furthermore aim to ensure that our governance systems are designed to uphold the highest ethical standards, ensure regulatory compliance, and drive the long-term sustainability and resilience of the organisation.			The failure of the turnaround strategy may result in present conditions remaining unchanged with the potential for accelerated deterioration in the entity's infrastructure and operations and ultimately major service delivery failures.	6. The overall CoJ Financial Model remaining unchanged and therefore non-responsive to the Johannesburg Water turnaround strategy 7. Inability to attain Board autonomy in decision making and leadership of Johannesburg Water Business (significant dependencies on CoJ) 8. Senior Management not having the firm will to drive and implement the strategy fully 9. Inadequately resourced turnaround strategy (i.e., funding, capacity & capabilities and technology.) 10. Revenues realised from the success of the turnaround strategy not ring-fenced for reinvestment 11. Failure to spend budget allocations towards approved strategic activities 12. Ineffective alignment between the CoJ work streams and Johannesburg Water implementation Teams	5. Loss of Financial Sustainability 6. Low Staff Morale (i.e., loss of productivity) 7. High Staff Turnover/ Loss of Critical Staff 8. Increasing Non-Revenue Water 9. Litigation 10. Reputational Damage 11. Financial Losses 12. NT imposition of Section 139 Intervention on CoJ 13. Regulators imposition of Contravention Notice/ Directives, Penalties and Imprisonment of Johannesburg Water Officers 14. Loss of Water Use License 15. Privatisation of Water and Sanitation Services (i.e., increasing role of private sector business in the water value chain)		Rate of Increase in TAS Related PAIA Requests Increasing Frequency of Industrial Action % Non-awards of CAPEX Tenders					7. Turnaround Strategy incorporated into the Business Plan and outcomes are part of the Balanced scorecard 8. Johannesburg Water Own Bank Account established 9. TAS Project Manager in place for the PMO 10. Functional Board Oversight - Resolution of establishment of Special Subcommittee for TAS Oversight								EM: HRCS 8. Incorporation of Strategic Shift Targets into Executive Annual Performance Contracts 9. Review the Johannesburg Water Talent Management & Succession Plan (i.e., for business unusual perspective) 10. Identification of TAS Critical Risk Positions (key to continuity & success of implementation)	7. Independent Review of Johannesburg Water Organisational Structure 8. 31 July 2025 9. 30 Jun 2026 10. 31 Dec 2025	7. 30 June 2026 8. 31 July 2025 9. 30 Jun 2026 10. 31 Dec 2025	7. EM: HRCS 8. GM: SME 9. Manager: Talent & Performance 10. Manager: OD, Trans & Change	

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9	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)						13. Un-sustained engagement and cooperation amongst key role players (NT, CoJ, Johannesburg Water) 14. Inadequate and/or Ineffective consultation or collaboration with key external stakeholders (i.e., Business Chambers, Civil Society Groups, Councillors, & Communities, etc.) 15. Inadequate and/or ineffective change management strategies with respect to internal stakeholders (i.e., buy-in from employees and labour 16. Inability to effectively engage community mindset on payment of services 17. Loss of critical skills and capacity during the implementation phase 18. Inadequate and inefficient revenue & credit control systems at CoJ to be adopted by Johannesburg Water (i.e., lack of automated & integrated credit control and revenue management systems a CoJ.)																11. Development of an Employee Engagement Strategy 12. Establish a TAS Johannesburg Water Employee Workforce Forum 13. Development of a Transition Plan including i.e. Business Process Re-Integration and Automation Plan for Revenue Management & Customer Care Functions 14. Review Johannesburg Water Operating Model	11. 31 Dec 2025 12. 31 Dec 2025 13. 31 Dec 2025 14. 31 Dec 2025	11. Manager: OD, Trans & Change 12. Manager: OD, Trans & Change 13. CFO & EM: HRCS 14. GM: SME			

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9	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)						19. Operational failures (i.e., water supply inconsistencies/ interruptions) deterring business & community buy-in and support for its achievement 20. Inability to manage complex systems with the re-integration of Revenue and Customer Care functions into Johannesburg Water 21. Poor incorporation of desired turnaround strategy outcomes into Executive performance contracts (i.e., Output vs. Impact.) 22. Ineffective Board oversight over implementation of Johannesburg Water turnaround (i.e., High Board turnover) 23.Failure to assess and measure the impact of the urnaround strategy achievements for return on investment 24. Missed TAS timelines/ milestones															15. Establishment of a TAS External Stakeholders Forum (i.e., Councillors, Special Interest Groups, NGO, Community Leaders, CONTRALESA, etc.)	15. 31 Dec 2025	15. EM: SRC				

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10	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient.	Social	Public Trust and Confidence	Johannesburg Water, as a responsible and customer-centric organisation, has zero appetite for risks that compromise equitable access to water supply, water quality, or environmental sustainability, including poor water quality that threatens public health, and wastewater pollution that harms ecosystems and contravenes regulatory compliance. We are committed to maintaining our Blue Drop certification while aggressively pursuing Green Drop and No Drop status to uphold the highest industry standards. Recognising the complexities of our operating environment, interdependencies, and diverse stakeholder expectations, we are willing to	Risk Minimalist Low	Public Health and Safety	Compromised public health and safety from drinking water quality status failure, sewer spillages and other related Johannesburg Water operational activities within communities.	1. Contamination of potable water in Johannesburg Water Reservoirs and Pipelines 2. Delays in rehabilitation of excavations (reinstatements) 3. Encroachment into Johannesburg Water servitudes 4. Inadequate safety measures during repair and maintenance to prevent contamination of network water 5. Inadequate sanitation provision 6. Inadequate reservoir capacity with reduced emergency supply availability in hours (i.e., Communities with direct supply and old townships) 7. Infrastructure failure from ageing and under-funding (i.e., resulting in pipe bursts & sewer spillages) 8. Pollution of water from Informal settlements near water sources 9. Inadequate public education of the use of untreated water from source 10. Poor drinking water quality	1. Lack of water supply to consumers due to contaminated water 2. Water losses from flushing of water pipelines 3. Civil claims 4. Negative impact on company reputation 5. Deteriorating river water quality 6. Non-compliance: Directives & possible imprisonment of the Accounting Officer 7. Spread of diseases 8. Financial losses: Penalties & rehabilitation costs (Polluter pays principle) and penalties 9. New Water Bill introducing Administration for non-compliant WSP 10. Damage to Johannesburg Water Reputation	None	Drinking Water Compliance Rate (% Days)	Chief Operations Officer	5	5	25	Very High	1. Adherence to SOP affecting public health and safety 2. Infrastructure maintenance programme 3. Insurance (including public liability) 4. Water safety planning - catchment, treatment and distribution 5. Management of encroachment into servitudes 6. Health and Hygiene awareness programme 7. Provision of nominal services as and when required 8. Preventative Sewer Maintenance 9. Upgrade of wastewater treatment works and pump stations 10. Bioremediation after each spillage event. 11. Alternative power supply and remote monitoring (Telemetry system). 12. Research and Innovation Programmes in place (i.e. WRC Studies including on new pollutants)	Less Effective 60%	15	High	Treat	SS4: Ramp up investment in both asset renewal and expansion	Water Safety Management Strategies	COO	1. Guideline development for Bioremediation of Impoundments 2. Research and Innovation Technologies to achieve Zero e-coli - Comply to revised Water Use Licence Requirements 3. Annual Review of Water Safety Plan (WSP) 4. Implementation of ongoing Water Quality Monitoring Programme 5. Publication & Media Release Statements of drinking Water Quality Status Reports	1. 30 Jun 2026 2. 30 Jun 2026 3. 30 Jun 2026 4. 30 Jun 2026 5. 30 Jun 2026	4. SM: OPS Support 2. SM: OPS Support 3. SM: OPS Support 4. SM: OPS Support 5. SM: OPS Support

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TTITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK				CONTROL ASSESSMENT		RESIDUAL RISK		TAS INTERVENTION	RISK TREATMENT				
			THEME	RISK APPETITE STATEMENT	POSTURE APPETITE LEVEL				NEGATIVE/ ADVERSE CONSEQUENCES	POSITIVE CONSEQUENCES/ OPPORTUNITIES			LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE	RATING		RISK RESPONSE	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE
10	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)			accept a low risk for stakeholder dissatisfaction related to temporary disruptions in water supply and sanitation services. We are however committed to minimising such risks through short-term contingency planning for water supply security and long-term infrastructure development, renewal and drought management programmes to enhance service resilience. We will maintain water safety planning and quality management systems that ensure compliance and sustainability, and these efforts will be underpinned by strong, transparent, and proactive stakeholder engagement strategies to foster public trust, cultivate active citizenry, and strengthen service accountability.			11. Solid waste and illegal disposals by Communities and Business 12. Blockages on the sewer networks 13. Defused Spillages (pump stations at residential areas) and Point Spillages (Works). 14. Vandalism and theft of infrastructure 15. Compromised water quality in Water Tanks/ Tankers 16. Electricity supply disruptions (i.e. loadshedding) 17. Inadequate and Unreliable emergency supply measures (i.e., Water Tankering) 18. Inadequate of handling water tankers during distribution to communities 19. Potential backflow of Borehole water into the Johannesburg Water Network due to non-compliant Non-return Valves from Consumers 20. Ageing and obsolete Instruments being run to failure (i.e. not replaced on time) 21. Pollution of the Lesotho Pipeline Water Supply to Randwater - impact on Johannesburg Water supply		Growth Rate in Sewer Spillages per Quarter/ Annum						13. Framework contracts for specialised services in place 14. Infrastructure planning mechanisms (Asset Management Plan in place) 15. Security guards at critical infrastructure 16. Regular cleaning of reservoirs and towers 17. Regular drinking water quality testing (throughout network & Potable Water Tankers) 18. Implementation of Borehole monitoring by Commercial Loss through regulation of Non-Return Valves 19. Outsourcing of testing as and when needed in case instruments fail								6. Implementation of ongoing Reservoir Cleaning Programme		6. 30 Jun 2026	6. SM: WDM & TS

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11	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture.	Governance	Workforce Stability, Safety and Wellbeing	Johannesburg Water, as a caring and responsible organisation, recognises its Human Capital as its most valued asset in delivering effective and efficient services. We have zero appetite for risks that compromise labour stability, including industrial unrest, unfair labour practices, or employee disengagement that may impact service delivery. Similarly, we have zero tolerance for occupational health and safety failures that expose our employees, visitors, contractors, and the general public to fatalities, permanent disabilities, or severe health hazards due to our operations. While we prioritise the holistic well-being of our employees, we acknowledge the inherent risks in our industry.	Risk Minimalist	Low	Misalignment of Organisational Structure, Capacity and Business Strategy	Inability to effectively implement the Business Plan and achieve organisational objectives due to the expansion of the organisation overtime without comprehensive review of the Entity-wide Organisational Structure resulting in silos review of departmental structures and incongruent growth of capacity across the organisation. This ultimately leads insufficient capacity & capabilities which creates work overloads, compromises employee productivity & efficiency, promotes greater reliance on external service providers and compromises service delivery in the long-term.	1. Organisational growth overtime 2. Lack of capacity to effectively implement the Organisational Development function. 3. Overdue comprehensive review of overall Organisational Structure 4. Inadequate funding for vacancies 5. Low levels of process automation 6. Ad-hoc/ silos approach to review of departmental structures deepening support function gaps 7. Inadequate & slow automation of business systems and processes	1. Failure to effectively implement Organisational Strategy (Non-achievement of business objectives) 2. Misalignment of resources allocation across functions over time 3. Under-capacitated Departments (i.e. Stagnant capacity in support departments in relation to growing scope & functional requirements relative to the expansion of capacity at core Operations & overall organisation) 4. Over-reliance on Service providers/ consultants 5. Excessive growth of overtime costs 6. Misaligned Business Processes & Outdated SOPs 7. Low productivity (work performed not translating into material impact on business)	None	Average Time taken to Review Entity-wide Organisational Structure	5	5	25	Very High	1. Reviewed and approved Human Resources Structure (however not fully funded) 2. Departmental Restructuring Guidelines in place 3. Reviewed Departmental Structures (as and when)	Less Effective 60%	15	High	SS5: Establish capability for effective implementation.	Organisational Restructuring - Organisational Design	EM: HRCS	1. Conduct companywide Job Evaluation Project (i.e. appoint a service provider/ independent contractor to facilitate the project) 2. Approval of Organisational Review Framework and Guidelines 3. Conduct Organisational Review Project 4. Review of Company-wide Organisational Structure 5. Redefined and Expanded Description of Critical and Scarce skills	1. 30 Jun 2026 2. 31 Dec 2025 3. 30 Jun 2026 4. 31 Dec 2026 5. 31 Dec 2025	1. SM: HR & Advisory 2. SM: HR & Advisory 3. SM: HR & Advisory 4. SM: HR & Advisory 5. M: Talent & Performance

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11	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture. (cont.)			Therefore, we are willing to accept a low level of risk for minor strains, injuries, and short-term absences. We are committed to maintaining the highest levels of compliance with all applicable labour laws, occupational health and safety regulations, and industry standards as we continuously implement robust, effective, and proactive health, safety, and wellness management systems to ensure a safe and stable working environment for all.					8. Non-Compliance with Laws, Policies & Procedures 9. Poor work-life balance (i.e. long after-hours working time norm) 10. Low staff morale 11. Poor employee responsiveness (i.e. promotes malicious compliance & employees may be prone to quiet-quitting culture resulting in doing the bare minimum) 12. Negative impact on employee wellbeing (i.e. excessive scope & delivery pressures impact on employee health - e.g. high frequency sick leave) 13. High turnover of new recruits within +- 3 yrs 14. Poor service delivery outcomes		Rate of Turnover for New Recruits under 3 Years														6. Review of Johannesburg Water Operating Model: Centralisation vs. Decentralisation of Support Functions (i.e., Re-assignment & centralisation of Facilities & Security to enable Depots to maintain Core operations with support activities reassigned to Key Support Departments)	6. 30 Jun 2026 6. GM: SME	7. Implementation of Entity-wide Business Process Re-engineering & Mapping Project 7. 31 Dec 2026 7. GM: SME

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12	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Governance	Stable Governance	Johannesburg Water has zero appetite for risks associated with governance failures, including maladministration, fraud, corruption, and gross negligence at any level — Leadership, Management, Employees, or Stakeholders. We are committed to maintaining an ethical, accountable, and future-fit Board and Executive Leadership, underpinned by robust governance frameworks that promote transparency, integrity, and inclusive transformation. We furthermore aim to ensure that our governance systems are designed to uphold the highest ethical standards, ensure regulatory compliance, and drive the long-term sustainability and resilience of the organisation.	Risk Averse	Zero	Inability to recover from Major Business Interruptions and Disasters	Inability of Johannesburg Water to timely and adequately recover from Major Business Interruptions and Disasters	1. Inadequate Johannesburg Water-wide Business Continuity Risk Assessment and Business Impact Assessment (Resilience Check) 2. Untested Company-wide business continuity plan (BCP) and disaster recovery plan (DRP); 3. Under-capacitated BCM Function 4. Lack of functional BCM Structures (i.e., BCM Steering Committee and Response Team) 5. Outdated Risk Mitigation Plans for Disaster Risks 6. Inadequate Institutional BCM Education, Training and Awareness	1. Inability to anticipate disruptions/ disasters and to effectively plan for business continuity & recovery of critical Johannesburg Water Functions/ Operations during & post an adverse event; 2. Prolonged service delivery disruptions; 3. Public Health Crisis 4. Loss of Institutional records & memory; 5. Negative impact on local communities and business (compromised community health and local economic development) 6. Decline in consumer satisfaction levels 7. Reputational damage to Johannesburg Water Brand 8. Litigations against Johannesburg Water for failure to deliver on constitutional mandate. 9. Third Party insurance liability claims due to compromised public health and private business losses	None	Chief Operations Officer	5	5	25	Very High	1. Approved Business Continuity Plan and BC Strategy 2. Approved ICT Data Backup and Recovery Policy 3. Approved IT Disaster Recovery Plan 4. Established ICT Business Recovery Centre 5. Approved Disaster Management Plan in place 6. Functional Crisis Management Committee 7. Approved Disaster Management Plan	Less Effective 60%	15	High	Treat	SS5: Establish capability for effective implementation.	Business Continuity Management Plan	EM: RCBC	1. Annual Review of Johannesburg Water-wide BCP and Disaster Recovery Plan 2. Implement BCP Awareness Programme 3. Functional BCM Structures (i.e., BCM Steering Committee & Task Team) 4. Establishment of an IGR BCM Forum (i.e., Govt Hospitals for collective response) 5. Evaluation of Third Party BCPs (i.e. Critical Service Providers)	1. 30 Jun 2026 2. 30 Jun 2026 3. 31 Dec 2025 4. 31 Dec 2026 5. 30 Jun 2026	1. EM: RCBC 2. EM: RCBC 3. EM: RCBC 4. EM: RCBC 5. EM: RCBC

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12	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance. (cont.)								10. Financial Losses 11. Insurance non-responsiveness (i.e., Rejection of insurance claims)															6. Review of Disaster Management Plan - Risk Management Plans (RMPs)	6. 31 Dec 2025	6. EM: HRCS
																							7. Alignment with Level 1 - 3 Disaster Management Plan Framework	7. 31 Dec 2026	7. M: OHS & DM	
13	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture	Governance	Workforce Stability, Safety and Wellbeing	Johannesburg Water, as a caring and responsible organisation, recognises its Human Capital as its most valued asset in delivering effective and efficient services. We have zero appetite for risks that compromise labour stability, including industrial unrest, unfair labour practices, or employee disengagement that may impact service delivery. Similarly, we have zero tolerance for occupational health and safety failures that expose our employees, visitors, contractors, and the general public to fatalities, permanent disabilities, or severe health hazards due to our operations.	Risk Minimalist	Low	Compromised health, safety and wellbeing of employees on duty.	Employee exposure to occupational and non-occupational hazards due to non-responsive workplace safety culture and non-compliance to OHS Legislation, systems and processes which may result in fatalities, injuries and mental health effects on employees whilst on duty and when working in public spaces (i.e. within communities).	1. Non-compliance with OHS and related Legislation 2. Poor workplace safety culture 2. Poor leadership accountability and reactive response on reported and escalated ohs risks 3. Inadequate and ineffective SOPs as well as lack of uniformity of standards across various depots 4. Management disregard of safety systems and protocols (i.e., policies, SOPs, etc.) 5. Inadequate OHS training and awareness 6. Employee fatigue and mental strain 7. Employee neglect of own health and safety (i.e., inconsistent use of	1. Litigation, civil claims, fines and penalties issued against Johannesburg Water 2. Low staff morale 3. Employee and third-party Injuries and fatalities 4. Burden of added workload on remaining employees 4. Reputational damage 5. Loss of productivity 6. High rate of employee errors & misjudgements 6. Increased COIDA and other Insurance costs 7. Increased scrutiny from Regulators (i.e., DoEL) 8. Adverse mental wellness impacts on employees	Rate of Compliance with OHS Legislation	Executive Manager: Human Resources & Corporate Services	5	5	25	Very High	1. OHS Policy 2. OHS Department in place 2. OHS Management Committee Structure 3. OHS Legislated Appointments in place (i.e., SHE Representatives, First Aiders and Fire Fighters) 3. SHE Committees in place across Depots & Sites 4. OHS Audits and Inspections undertaken on a quarterly basis 5. OHS and Technical Department SOPs 6. OHS Training and Awareness Programmes 7. Evacuation Drills performed on a regular basis 8. Site specific Risk Assessments performed	Less Effective 60%	15	High	Treat SS5: Establish capability for effective implementation.	Implementation of ISO 14001 & 45001 Standards (Accreditation)	EM: HRCS	1. Securing ISO Standards Project Funding	1. 30 June 2026	1. M: OHS & DM
										Growth Rate in DFIR													2. Perform a GAP Analysis (Check status quo)	2. 30 June 2027	2. M: OHS & DM	
										Growth Rate in Number of OHS Policy & SOP Contraventions Reported													3. Development of IMS Manual (incl. Policies & Procedures)	3. 30 June 2027	3. M: OHS & DM	
										Near Miss Reporting Rate													4. Perform a GAP Audit (Review implementation according to Standards)	4. 30 June 2028	4. M: OHS & DM	
										Resolution Rate on OHS Non-compliance Findings													5. Implementation of Improvement Plan and Verification of Resolution of GAP Audit Findings	5. 30 June 2029	5. M: OHS & DM	

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13	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture			While we prioritise the holistic well-being of our employees, we acknowledge the inherent risks in our industry. Therefore, we are willing to accept a low level of risk for minor strains, injuries, and short-term absences. We are committed to maintaining the highest levels of compliance with all applicable labour laws, occupational health and safety regulations, and industry standards as we continuously implement robust, effective, and proactive health, safety, and wellness management systems to ensure a safe and stable working environment for all.			PPE & adherence to protocols) 8. Non-sitting of scheduled SHE Committees (i.e., poor attendance by members) 9. Insufficient tools of trade and resources 10. Ineffectiveness of the business operating model and the decentralised systems promoting unequal standards across various sites (i.e., silos mentality and working arrangements - e.g. each depot doing its own refilling of first aid kit boxes) 11. Lack of effective business process mapping (i.e., poor business processes - SCM procurement, etc.) 12. Poor advancement/ adoption of innovation and technology (i.e., Systems automation) 13. Working environment non-conductive to employee productivity and safety (i.e., workspaces, facilities, equipment) 14. Poor incident reporting protocols during emergencies	9. Mental & emotional strain on families of affected employees 10. Organised Labour dissatisfaction and Industrial unrest 11. Financial losses 12. Service delivery failures		Ave. Time Taken to Resolve OHS Non-compliance/ Contravention Findings (In days) Absenteeism Rate due to OHS Incidents Employee Safety Perception Rate						9. Incident Investigations performed per event 10. Incident Overview Committee (IOC) 11. Occupational Health Clinic 12. Wellness Department & Programmes							6. Accreditation of Johannesburg Water for ISO 14001 & 45001 Standards 7. Resuscitation of the COO OHS Committee 8. Review of OPS Job Card Systems and Processes (i.e., Closing of Job with on-site work outstanding e.g., Backfilling & Reinstatement)	6. 30 June 2029 7. 31 July 2025 8. 30 June 2026	6. M: OHS & DM 7. GM: OPS & OHS & DM 8. SM: Networks

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13	SG 7 - Invest in our staff to sustain optimal performance and a service focused culture (cont.)							15. Poor management responsiveness to emergencies and incidents (i.e., management failure to visit affected sites on time - during and post incidents)																							
14	SG3: Operate in a manner that promotes environmental conservation and sustainability	Environmental	Climate Change & Water Security	Johannesburg Water has zero appetite for water insecurity and is committed to ensuring equitable access to safe, reliable drinking water and sanitation services that meet the City's minimum service delivery standards. We recognise the growing demand on the water network, and we will actively manage this through our Water Conservation and Water Demand Management Strategy and Drought Management Plan. While we have zero appetite for systemic failures in water security, we accept a low risk tolerance related to the evolving nature of climate change. We acknowledge its negative impact on infrastructure, water security and long-term service sustainability and in recognition of the	Risk Minimalist	Low	Climate Change Adverse Events	Slow Adaptation to Climate Change Conditions conducive to severe weather systems having adverse effects on Infrastructure, Operational Efficiency & Sustainable Supply of Basic Services.	1. Slow adaptation to changing climate conditions during Infrastructure design, budgeting & operational processes (e.g. Development and Infrastructure Planning based on historical weather patterns as opposed to changing climate environment & weather patterns - e.g. exceedingly higher rainfall, severe/ prolonged & more frequent droughts) 2. Inadequate funding and investment into new technologies in support of changing climate Just Transition requirements/ objective 3. Weak economic conditions limiting optimal funding or Investment capacity of State to Just Transition (i.e. adaptation and mitigation)	1. Adverse effects of extreme weather events (e.g. Severe thunderstorms, excessive rainfall or droughts, lightning, heat waves, etc.) 2. Extensively deteriorating public infrastructure 3. Adverse events causing critical public infrastructure failure (i.e. water & wastewater pipelines, WWTWW) 4. Increasing public health crisis (i.e. Waterborne diseases) 5. Overflowing rivers and spruities (i.e. Contaminated water flooding communities -e.g. Jukskei) 6. Adverse employee health & safety from inclement weather	None	% of Capex Budget subject to Climate Budget Tagging (responding to climate adaptation & mitigation)	Ave. Hours of Emergency Water Supply Available	% of Townships/ Suburbs without Water Reservoirs (per set standard/ as required)	Chief Operations Officer	5	5	25	Very High	1. Approved COJ Climate Action Plan 2. Approved COJ Water Security Strategy 3. Approved Johannesburg Water Water Conservation and Water Demand Management Plan 4. Approved Johannesburg Water Disaster Management Plan 5. COJ Pilot on Climate Budget Tagging 6. Approved Drought Management Plan 7. Communication and Stakeholder Engagement Strategy (Targeted and Consistent engagements and consultations with all relevant stakeholders)	Less Effective	60%	15	High	Treat	SS5: Establish capability for effective implementation.	Environment, Social & Governance (ESG) Strategy	GM: SME	1.Development of comprehensive ESG Strategy 2. Engagement with COJ EISD on the development of a CoJ Flood Management Plan 3. Engagement with CoJ on the Implementation of a Just Transition Climate Change Budget Tagging	1. 31 Dec 2024 2. 31 Dec 2024 3. 31 Dec 2024	1. GM: SME 2. COJ EISD (Liaison COO) 3. COJ EISD (Liaison FD)

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14	SG3: Operate in a manner that promotes environmental conservation and sustainability (cont.)			substantial upfront capital investment required; we are committed to aligning our design standards and specifications to mitigate climate risks and to enhance infrastructure resilience by implementing staggered just-transition strategies for climate adaptation and mitigation. We will furthermore pursue diversification of water sources and actively implement the City's Water Security Strategy to ensure sustainable water services.			4. Potential impact of US Presidential decisions influencing the direction of the global climate change policies, i.e. US President Donald Trump pro-fossil fuel stance and the effect on global initiatives in mitigating adverse climate effects.	7. Non-compliance with climate action legislation 8. Litigation by environmental activists		Rate of Flood Induced Supply Disruptions of Water Supply Rate of Flood Induced Water & Sanitation Infrastructure Damage Ave. Number of Household Affected by Supply Disruptions from Climate related risks to Water Infrastructure.												Drought Management Plan (Link to CoJ Climate Change Action Plan)	COO	4. Review of Infrastructure Design Standards to consider Climate Change conditions	4. 31 Dec 2025 4. SM: ESU (CAPEX)		
																							5. Securing Panels of Service Provider for Emergency Procurement of Pipelines (i.e. Consultants & Contractors)		5. 31 Dec 2025 5. GM: OPS		
																							6. External review of the Drought Management Plan		6. 30 Jun 2026 2. SM: WDM & TS		
15	SG 6 - SG 6 - Use of technology for effective and efficient operations.	Governance	Science, Technology & Innovation Agility	Johannesburg Water operates at a moderate level of IT maturity and is committed to advancing technological innovation to enhance service delivery and operational efficiency. In pursuit of digital transformation, we are willing to accept a moderate level of risk associated with innovation, .	Risk Prudent Moderate	Slow Adoption of New Technologies	ICT not strategically positioned as a strategic business partner and effectively underfunded for the nature and size of operations with the consequence of slow technology innovation and insufficient integration between IT and OT.	1. Reporting line and structure of IT, OT and Innovation Technology not clearly defined (i.e. Distinction between information and operations technology) 2. Dependence on City of Johannesburg centralised systems and its delayed implementation of key initiatives 3. Insufficiently tested business continuity plan and BCM	1. Uncompetitive Utility in terms of efficiency and excellence in relation to our peers in the industry 2. Lack of productivity (i.e. Business process and efficiencies) 3. Compromised growth & development of the organisation (i.e. new ways of doing things) 4. Outdated technology prone to cyber-attacks	1. Use of Big Data Technology, Data Analytics & AI for effective analysis of Johannesburg Water operations and for effective planning and security management based on Real -Time Intelligence.	Number of Technology & Innovation Expo/ Training/ Conferences Attended by ICT Staff per annum. % of Technology Upskilled Employees per Specified Target (IT vs. Non-IT Employees - in-house capacity to manage new technology advancements)	Chief Financial Officer	5	5	25	Very High	1. ICT Governance Policies 2. Approved Disaster Recovery Plan and regular testing of the DRP Technology 3. ICT Governance framework for OT & IT in place 4. ICT Strategy approved (Incorporating digitalisation initiatives) 5. Support services in place to support ICT operations	Less Effective	60%	15	High Treat	SS5: Establish capability for effective implementation.	ICT Infrastructure Plan	CFO	1. Repositioning the IT Function 2. Capacitate ICT Department	1. 30 Jun 2025 2. 30 Jun 2025	1. CFO 2. CIO

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK				CONTROL ASSESSMENT		RESIDUAL RISK		TAS INTERVENTION	RISK TREATMENT					
			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE		RATING	RISK RESPONSE	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE
15	SG 6 - SG 6 - Use of technology for effective and efficient operations. (cont.)			ensuring we avoid technological stagnation while maintaining system stability and security To drive this evolution, we will implement a comprehensive digitization framework to enhance IT and OT technologies, ensuring seamless integration and improved operational resilience; leverage big data and artificial intelligence (AI) to strengthen business intelligence, predictive analytics, and decision-making capabilities, and advance systems automation driving greater efficiency, agility, and service excellence. Through strategic investment in emerging technologies, Johannesburg Water aims to build a future-fit, data-driven organisation, ensuring continuous improvement, adaptability, and sustainable digital growth.			4. Inadequate funding of ICT infrastructure refresh programmes (i.e. servers, networks, emergency power & storage) and OT technologies 5. Insufficient management information systems (i.e. data analytics, etc.) 6. Various applications systems & multiple disintegrated databases (i.e. SCM, Metering & Revenue) 7. Lack of IT specialised skills and resources (capacity & capabilities) to drive ICT innovation (i.e. Digital Transformation Officers, Business Analysts) 8. Lack of a technology partner for IT and Inadequate maximisation of research and development partnerships for OT (i.e. Lack of Digital Transformation Strategy)	5. Lack of business operational insight (i.e. data analytics) 6. Inability to retain and attract new skills (i.e. Millennials etc.)		% of Capex Budget set aside for Digital Investment (Digital Transformation)/ Rand Value Spending % of AI & Big Data Analytics Enabled Critical Business Functions Digital Technology Adoption Rate														3. Develop Enterprise Architecture Plan 4. Implementation of ICT Strategy (Incorporating digitization strategy for User Departments) 5. Development of Digital Transformation Strategy 6. Enterprise Portfolio and Project Management (i.e. Unbundling of ICT Projects in Capex Priorities)		3. 31 Dec 2024 4. 30 Jun 2025 5. 30 Jun 2025 6. 31 Dec 2024	3. CIO 4. CIO 5. CIO 6. GM: CAPEX

SR #	JOHANNESBURG WATER STRATEGIC GOALS	ESG LINK	STRATEGIC RISK APPETITE			JOBURG WATER RISK TITLE	RISK DESCRIPTION	ROOT CAUSES	CONSEQUENCES/ IMPACT		KEY RISK INDICATORS	ACCOUNTABLE PERSON	INHERENT RISK			CONTROL ASSESSMENT		RESIDUAL RISK		RISK RESPONSE	TAS INTERVENTION	RISK TREATMENT						
			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS			SCORE	RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER
15	SG 6 - SG 6 - Use of technology for effective and efficient operations. (cont.)						9. Subsidised Education 9. ICT insufficiently abreast with technology advancements in the Water and Sanitation Utility Industry (i.e. exposure of IT professionals to industry and emerging technologies)																					
16	SG 6 - Use of technology for effective and efficient operations.	Governance	Science, Technology & Innovation Agility	Johannesburg Water operates at a moderate level of IT maturity and is committed to advancing technological innovation to enhance service delivery and operational efficiency. In pursuit of digital transformation, we are willing to accept a moderate level of risk associated with innovation, ensuring we avoid technological stagnation while maintaining system stability and security. o drive this evolution, we will implement a comprehensive digitization framework to enhance IT and OT technologies, ensuring seamless integration and improved operational resilience; leverage big data and Tartificial	Risk Prudent	Moderate	Cyber Security Breaches	Inability of Johannesburg Water ICT systems to timeously and effectively prevent, detect and respond to cyber security breaches whereby vulnerability of Johannesburg Water systems such as Scada or Water Reservoir systems can be manipulated to cause overflow and thereby flooding neighbourhoods or result in undetected low levels in Reservoirs with the impact of water supply disruptions.	10. Lack of capacity in the Applications Support function for centralised Administrator functions (e.g. Smart Works, IMQS) 11. Management/ employees readiness & willingness to adopt new technologies 12. Inadequate integration between IT and OT within the environment 13. Uncompetitive salaries as employer of choice for IT professionals	1. Cyber-attack - IT applications and systems infected by malware (malicious software) 2. Unavailability of applications and systems3. Loss of productivity4. Financial loss	None	Growth Rate in Number of Security Threats Detected (& Growth Rate) Average Cost of Detected Security Threats Mean Time to Detect & Respond to Cyber Incidents	Chief Financial Officer	5 5 25	 Very High	1. Security appliances: proxy and firewall 2. Anti-malware software 3. Internet Content and Mail Content filtering 4. Virtual Private Network (VPN) for remote access 5. User account management 6. Password policy 7. Microsoft Group policies 8. ICT Electronic Data and Information Security Policy 9. ICT Acceptable Use Policy 10. Enterprise backup software 11. Disaster Recovery data centre 12. Application Administration and Configuration guides 13. Cyber-security training and awareness	Partially Effective 40%	10	Medium	Treat	SS5: Establish capability for effective implementation.	Cyber Security Strategy	CFO	1. Ongoing ICT Cyber Security Awareness 2. Development of Cyber Security Strategy 3. Development of Cyber Security Incident Response Protocols/ Plan	1. 31 Dec 2025 2. 30 Jun 2026 3. 30 Jun 2026	1. CIO 2. CIO 3. CIO		

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16	SG 6 - Use of technology for effective and efficient operations. (cont.)			intelligence (AI) to strengthen business intelligence, predictive analytics, and decision-making capabilities, and advance systems automation driving greater efficiency, agility, and service excellence. Through strategic investment in emerging technologies, Johannesburg Water aims to build a future-fit, data-driven organisation, ensuring continuous improvement, adaptability, and sustainable digital growth.																															
17	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient.	Governance	Stable Governance	Johannesburg Water has zero appetite for risks associated with governance failures, including maladministration, fraud, corruption, and gross negligence at any level — Leadership, Management, Employees, or Stakeholders. We are committed to maintaining an ethical, accountable, and future-fit Board and Executive Leadership, underpinned by robust governance frameworks that promote	Risk Averse	Zero	Inability to effectively attract, develop and retain talent for the stability of the organisation and its operations.	Inability to attract and retain the right set of skills necessary for the stability of the organisation and its operations due to possible insufficient skills pool, misaligned job requirements, ineffective succession planning, perceived negative brand image and employees fear of failure resulting from organisational resource constraints.	1. Inadequate buy-in and implementation of succession planning (leadership pipeline, critical and scarce skills) 2. Ineffective implementation of skills development initiatives for succession planning outcomes including core technical skills 3. Insufficient rewards and recognition programmes (i.e., expansion of benefits beyond remuneration) 4. Inadequate retention strategies	1. Failure to uphold Constitutional and Shareholder Mandate for Water and Sanitation Service Delivery 2. Ineffective decision making (i.e., poor or delayed response due to lack of ownership by acting individuals) 3. Impaired individual and organisational performance 4. Service delivery failures 5. High levels of acting position 6. Low staff morale	None	Staff Vacancy Rate	Executive Manager: Human Resources & Corporate Services	5	5	25	Very High	1. Performance management policy and framework / guidelines 2. Succession planning policy. 3. Training and Development Policy and compliance with WSP 4. Individual scorecards aligned to corporate scorecard 5. Recruitment policy and processes 6. Functional talent forum 7. Performance Moderation Committee 8. Talent management strategy	Effective	20%	5	Low	Monitor	SS5: Establish capability for effective implementation.	Human Resources Management Strategy	EM: HRCS	1. Review of Organisational Structure	1. 30 Jun 2026	1. SM: HR & Advisory						
												Employee Turnover Rate																				2. Company-wide Review of Job Description Minimum Requirements & Job Grading Project	2. 30 Jun 2026	2. SM: HR & Advisory	
												Employee Satisfaction Rate																					3. Alignment of definition of Critical Skills/ Roles & Classification (i.e. Profile Specific Individual & Attrition and Attraction Risks)	3. 30 Jun 2026	3. SM: HR & Advisory

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17	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)		transparency, integrity, and inclusive transformation. We furthermore aim to ensure that our governance systems are designed to uphold the highest ethical standards, ensure regulatory compliance, and drive the long-term sustainability and resilience of the organisation.				5. Misaligned job profiles and requirements 6. Categorisation of critical skills and roles not comprehensive 7. Disengaged and demotivated employees 8. Potential damage from perceived negative Johannesburg Water Brand (i.e., Public image) 9. Inadequate consequence management processes 10. Insufficient skills pool per job requirements 11. Significant resource constraints (i.e., Inadequate funding of operations & regular budget cuts and resultant service delivery failures) 12. Fear of failure by employees (i.e., due to resource constraints and consequence on professional standing)	7. Impaired organisational reputation 8. Loss of innovation capacity 9. Further reputational damage 10. Financial losses							10. Engineering and Scientific Capacitation programme 11. Disciplinary code 12. Grievance procedure 13. Remuneration policy 14. Executive Management Talent Forum established 15. Implementation of E - performance 16. SOPs on Performance Portfolio of Evidence uploaded on E-PMS System 17. Performance Bonus sheets audited before final payment is approved																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																												

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			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS			CONTROL EFFECTIVENESS	SCORE	RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE	ACTION OWNER
18	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient.	Social	Infrastructure Resilience	Johannesburg Water is committed to protecting public health, preserving ecosystem integrity, and ensuring sustainable water resource management. As such, we have zero appetite for risks associated with wastewater infrastructure failures that could compromise environmental sustainability, regulatory compliance, or community well-being. We will prioritise long-term, well-funded infrastructure investment plans incorporating water-sensitive design principles to ensure system resilience and service continuity; proactive maintenance, security and	Risk Averse	Zero	Vandalism and Theft of Infrastructure	Theft and Vandalism of Water and Sanitation Infrastructure contributing to significant water losses and sewer spillages resulting in the pollution of the environment and ultimately compromising Service Delivery.	1. Culture of vandalism of public infrastructure by communities. 2. Land invasion to which land invaders tap into the water and sanitation systems illegally 3. Bypassing of meters by some residents whereby communities are evading payment for services. 5. Community Unrests / Aggrieved communities due to issues including billing errors, project sub-contracting arrangements, criminal elements & socio-political challenges. 6. High unemployment. 7. illicit scrap metal market promoting the selling of public infrastructure as scrap. 4. Johannesburg Water Infrastructure vandalised for scrap value. 8. Inadequate security infrastructure and personnel at critical Johannesburg Water infrastructure sites i.e. pumps station, reservoirs and towers - e.g. perimeter fencing, lighting, access control)	1. Water supply disruptions 2. WWTW pump stations sewer spillages 3. Community unrests due to water disruptions and sewer spillages 4. High Non-Revenue Water 5. Stoppages / delays of Infrastructure project. 6. Hindrance on the operation and maintenance of existing infrastructure 7. Environmental pollution 8. Loss of infrastructure capacity and life 9. Financial losses 10. Compromised employee safety 11. Employee dissatisfaction and industrial action 12. Comprised public health 13. Compromised service delivery to communities	1. Use of Drones for Infrastructure and Projects monitoring and for Security Management.	Growth Rate in Number of Theft and Vandalism Cases per Quarter	Executive Manager: Human Resources & Corporate Services	5	5	25	Very High	1. Board approved Security Policy 2. Approved Security Strategy 3. Security Standard Operating Procedures (Site Instructions) 2. Educational Awareness Campaigns 2. Active Leak detection 3. Meter Reading 4. Implementation of cut-offs 5. Meter maintenance teams are changing meters on the ground as and when identified to be faulty or reading irregularities 6. Stakeholder consultation and project awareness. 7. Contracted armed security guards at critical infrastructure sites (i.e. WWTW, Depots) 8. In-sourced security guards at other Johannesburg Water Sites. 9. Security risk assessments performed every 3 years 10. Security site evaluations performed on a quarterly basis.	Partially Effective 40%	10	Medium	Treat	SS4: Ramp up investment in both asset renewal and expansion	Security Management Strategy	EM: HRCS	1. Maintain deployment of Security Guards at all Critical Pump Stations, Reservoirs and Towers remaining unmanned sites 2. Implementation of the Security Strategy Phase - Security Systems Automation (CCTV cameras, alarms, panic buttons etc.) & deployment of additional guard houses 3. Construction of Perimeter Walls and Lighting Programme (in line with budget) 4. Procurement of Security Guard Houses 5. Conduct independent investigation into potential sabotage of Johannesburg Water Infrastructure	1. 30 Jun 2026 2. 31 Dec 2025 3. 30 Jun 2026 4. 30 Jun 2025 5. 31 Dec 2025	1. EM: HRCS 2. EM: HRCS 3. GM: OPS 4. GM: OPS 5. EM: HRCS

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			THEME	RISK APPETITE STATEMENT	POSTURE				APPETITE LEVEL	NEGATIVE/ ADVERSE CONSEQUENCES			POSITIVE CONSEQUENCES/ OPPORTUNITIES	LIKELIHOOD	IMPACT	SCORE	RATING	CURRENT CONTROLS	CONTROL EFFECTIVENESS	SCORE			RATING	RISK TREATMENT STRATEGIES	STRATEGY OWNER	RISK MITIGATION ACTIONS (ACTION OWNERS)	DUE DATE
18	SG 2 - Deliver water and sanitation services of good quality that is accessible, reliable and efficient. (cont.)			contingency planning to prevent service disruptions and environmental hazards, and inclusive consumer education programmes that promote responsible water and wastewater infrastructure & services usage and public awareness. Through this approach, we aim to uphold the highest standards of water and wastewater management, environmental stewardship, and regulatory compliance, securing a sustainable and resilient water future for the City.			9. Lack of adequate physical security infrastructure and measures (i.e., perimeter fencing at Johannesburg Water Sites, guarding houses, poor lighting) 10. Lack of automated security systems 11. Poor visibility at Sites (i.e., Unmaintained vegetation preventing effective patrols) 12. Emerging trends of sabotage and collusion between internal personnel with criminal syndicates 13. Inadequate quantification of damages/ losses 14. Lack of concrete maintenance plans for security-risk related facilities (i.e., Plans to address guardrooms, fencing etc.)			Funding Rate of Security Strategy (Degree of funding) <																	

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19	SG 5 - Enhance Sound Financial Management, Sustainability and Good Governance.	Governance	Stable Governance	Johannesburg Water has zero appetite for risks associated with governance failures, including maladministration, fraud, corruption, and gross negligence at any level — Leadership, Management, Employees, or Stakeholders. We are committed to maintaining an ethical, accountable, and future-fit Board and Executive Leadership, underpinned by robust governance frameworks that promote transparency, integrity, and inclusive transformation. We furthermore aim to ensure that our governance systems are designed to uphold the highest ethical standards, ensure regulatory compliance, and drive the long-term sustainability and resilience of the organisation.	Risk Averse	Zero	Unethical Behaviour	Moderate maturity integrity management systems having the potential of enabling workplace environment conducive to unethical business practices and behaviours (maladministration, fraud and corruption) that compromise Johannesburg Water's values and service delivery.	1. Integrity management systems outcomes still to be tested 2. Ineffective oversight on ethics/fraud/ corruption controls (i.e. Engagement around root causes and responsiveness to detected incidents - consequence management) 3. Lack of integrated reporting and analysis of actual incidents to prevent recurrence 4. Inadequate/ ineffective systems of ensuring and measuring Compliance with Legislation and statutes across the Entity 5. Inadequate/ ineffective systems of ensuring and measuring adherence with policies and procedures 6. Inadequate review of Internal Control Systems 7. Inadequate recognition for employees displaying excellent ethical behaviour/ conduct in the workplace	1. Fraud, bribery and corruption incidents 2. Unauthorised transactions or undertakings 3. Poor organisational culture 4. Impaired organisational reputation 5. Financial losses 6. Irregular, Fruitless and Wasteful (IFWE) expenditure 7. Compromised service delivery 8. Community dissatisfaction 9. Compromised public health 10. Litigation 11. Low staff morale	None	Ethics Culture Index Growth Rate in Reported Fraud and Corruption Cases per Quarter/ Annum Rate of Employees with Verified and Approved Extra-remunerative Work Rate of Employee Coverage for Ethics, Fraud and Corruption Awareness Programmes Rate of Reported Sexual Harassment & Victimization Cases	Executive Manager: Governance & Legal Services	5	5	25	Very High	1.Functional Oversight Structures in place (i.e. Board, Board Committees, EXCO & Ethics Champions Forum) 2. Ethics Tone at the Top permeating throughout the organisation 3. Ethics Awareness Campaigns 4. Anti-Fraud and Corruption Policy implemented 5. Ethics Policy approved by Board 6. Whistle Blowing policy approved by Board 7. Code of conduct 8. Declaration of interest by all directors, staff and service providers 9. Delegation of authority 10. Robust procure to pay system 11. Segregation of duties 12. Compliance Management Policy approved 13. Mandatory ethics training for all staff 14. SCM Competitive bidding processes 15. SCM Bid Committees in place	Effective 20%	5	Low	Monitor SS5: Establish capability for effective implementation.	Integrity Management Strategy	EM: GLS	1. Ongoing Implementation of Ethics Strategy 2. Facilitate annual review of Fraud Risk Register 3. Conduct Compliance Awareness Workshops 4. Annual Implementation of Fraud Prevention Plan 5. Independent review of Disciplinary Processes/ Consequence Management	1. 30 Jun 2026 2. 30 Jun 2026 3. 30 Jun 2026 4. 30 Jun 2026 5. 30 Jun 2026	1. SM: Legal Services 2. M: Risk & Insurance 3. M: Compliance & Business Continuity 4: Legal Advisor 5. CAE

[illegible]

RISK POSTURE		
Risk Averse	Zero Risk Appetite	The Entity is unwilling to accept any risk that may result in significant losses, extensive damage to reputation and impair the stability & long-term sustainability of the entity for the pursuit of value; and does not condone any deliberate risk-taking actions in this area (Avoidance).
Risk Minimalist	Low Risk Appetite	The Entity is willing to accept some level of risk in certain circumstances that may result in minor or expected losses or exposure in support delivery of priorities and objectives (Acceptance).
Risk Prudent	Moderate Risk Appetite	The Entity is willing to actively pursue innovation and transformative actions that attract foreseeable risks within limits and will consider actions where benefits outweigh risks (Tolerance).
Risk Aggressive	High Risk Appetite	The Entity accepts opportunities and risks resulting in the practical implementation of innovative and transformative ideas that lead to radical advancements ('break the mould' and challenge current working practices) in services. Its Ready to take difficult decisions when the benefits outweigh risks. (Exploitation)
	Very High-Risk Appetite	

RISK THRESHOLDS		
Risk Appetite	Low	Acceptable Risk Exposure
Risk Tolerance	Medium (Moderate)	Acceptable Risk Exposure
Risk Bearing Capacity	High	Unacceptable Risk Exposure
	Very High	Unacceptable Risk Exposure

ANNEXURE C: FINANCIALS

INCOME STATEMENT R '000	2023/24	2024/25			INDICATIVE YEARS (MTREF)		
	ACTUAL	APPROVED BUDGET	ADJUSTMENT BUDGET	DIFFERENCE	2025/26	2026/27	2027/28
Revenue	17,063,231	17,898,098	17,898,098	-	20,012,923	21,333,339	22,740,860
Water	10,097,481	10,652,308	10,652,308	-	11,911,542	12,697,265	13,534,805
Sewer	6,965,750	7,245,790	7,245,790	-	8,101,381	8,636,074	9,206,055
					-	-	-
Cost of Sales	(8,410,494)	(8,646,610)	(8,646,610)	-	(9,796,611)	(10,345,221)	(11,022,833)
Cost of Water Sold	(5,509,993)	(5,702,400)	(5,664,648)	37,752	(6,418,049)	(6,777,460)	(7,221,384)
Water Losses	(2,900,501)	(2,944,210)	(2,981,962)	-37,752	(3,378,562)	(3,567,761)	(3,801,449)
Gross margin	8,652,737	9,251,488	9,251,488	-	10,216,312	10,988,118	11,718,027
Gross Profit Margin %	50.7%	51.7%	51.7%		51.0%	51.5%	51.5%
Other Income	1,032,048	1,223,682	1,218,499	-5,183	1,618,532	1,539,305	1,842,306
Equitable grant	584,898	623,501	623,501	-	664,652	694,561	1,016,205
Deferred income release - USDG	254,357	600,181	594,998	-5,183	953,880	844,744	826,101
Other Income	192,793	-	-	-	-	-	-
					-	-	-
Expenditure	(8,726,943)	(9,369,039)	(9,065,687)	303,352	(9,764,272)	(10,154,056)	(10,604,344)
Employee Related Costs	(1,664,885)	(1,761,082)	(1,822,822)	(61,740)	(1,921,981)	(2,024,807)	(2,139,208)
Contracted Services	(1,632,087)	(1,647,152)	(1,646,493)	659	(1,666,058)	(1,687,334)	(1,730,315)
General Expenses	(564,536)	(531,267)	(530,714)	553	(560,772)	(577,244)	(612,861)
Depreciation	(482,824)	(555,484)	(555,484)	-	(581,036)	(607,764)	(635,114)
Debt impairment	(4,382,610)	(4,874,054)	(4,510,174)	363,880	(5,034,425)	(5,256,907)	(5,486,846)
Profit before interest	957,842	1,106,131	1,404,300	298,169	2,070,572	2,373,367	2,955,988
					-	-	-
Net interest & sundry items	164,384	(5,879)	(5,879)	-	(38,361)	(25,878)	(27,043)
Interest income - Internal (CoJ)	100,754	22,824	22,824	-	22,824	23,851	24,924
Interest Debtor Arrear	294,537	295,926	295,926	-	295,926	309,539	323,468
Finance charges	(230,907)	(324,629)	(324,629)	-	(357,111)	(359,268)	(375,435)
Profit/(Loss) after finance costs	1,122,226	1,100,252	1,398,426	298,169	2,032,212	2,347,489	2,928,946
Taxation payable				-			
Profit/(Loss) for the year	1,122,226	1,100,252	1,398,426	298,169	2,032,212	2,347,489	2,928,946

DASHBOARD R '000	2023/24 ACTUAL	2024/25 FORECAST	2025/26 FORECAST	2026/27 FORECAST	2027/28 FORECAST
	YR (0)	YR (1)	YR (2)	YR (3)	YR (4)
CPIX	2.2%	5.3%	4.8%	4.5%	4.5%
Revenue tariff	11.0%	7.7%	13.9%	6.6%	6.6%
REVENUE	17,063,231	17,898,098	20,012,923	21,333,339	22,740,860
CAPEX - FUNDING SOURCES	860,874	1,291,086	1,703,880	1,960,127	1,984,508
Grant Funding	356,166	594,998	953,880	844,744	826,101
External (COJ)	264,799	598,849	750,000	900,454	596,103
Own funding	239,909	97,239	-	-	392,304
Other				214,929	170,000
PROFIT	1,122,226	1,398,426	2,032,213	2,347,489	2,928,946
CASH POSITION	2,810,731	1,159,979	2,141,946	3,315,652	4,731,301
PAYMENT LEVEL AND COLLECTION RATE TARGET	75.70%	74.80%	74.84%	75.36%	75.87%
PROFIT BEFORE BAD DEBT PROVISION	5,504,836	5,908,600	7,066,637	7,604,396	8,415,792

BALANCE SHEET R '000	ACTUAL	PROPOSED BUDGET	INDICATIVE YEARS		
	2023/24	2024/25	2025/26	2026/27	2027/28
		YR (0)	YR (1)	YR (2)	YR (3)
ASSETS					
NON CURRENT ASSETS	14,216,044	15,180,704	16,213,444	17,549,656	18,806,211
Fixed assets (net book values)	14,216,044	15,180,704	16,213,444	17,549,656	18,806,211
Current assets	8,395,325	6,368,495	7,579,962	8,952,417	10,655,024
Service Debtors	31,415,897	32,791,366	33,813,140	35,413,095	37,082,562
Less: Provision for Bad Debts	-27,394,216	-28,694,964	-29,642,294	-31,165,973	-32,757,395
Sundry Debtors	24,775	24,905	24,905	24,905	24,905
Inventory	204,203	215,025	225,347	235,487	235,487
Cash & equivalents (CoJ Sweeping Account)	2,810,731	1,159,979	2,141,946	3,315,652	4,731,301
Cash & equivalents (Petty Cash)	31	31	31	31	31
CoJ (Loans to Shareholder)	1,333,904	872,152	1,016,888	1,129,221	1,338,133
Other current assets (Trade Receivables with Group Companies)					
Total Employment of Capital	22,611,369	21,549,199	23,793,406	26,502,074	29,461,235
EQUITY AND LIABILITIES					
Capital and Reserves	13,887,261	15,268,982	17,301,194	19,648,683	22,577,629
Retained income	13,887,260	15,268,981	17,301,193	19,648,682	22,577,628
Non-Current Liabilities	2,852,401	2,859,916	3,001,927	3,253,825	3,126,525
Mirror Conduit External loans (Loans from Shareholder)	2,045,184	2,030,478	2,171,334	2,420,388	2,290,375
Consumer Deposits	705,487	705,487	705,487	705,487	705,487
Fleet lease obligation (Shareholder)	50,347	52,512	53,667	56,512	59,224
Employee benefit obligations	51,383	71,439	71,439	71,439	71,439
Current liabilities	5,871,708	3,420,301	3,490,284	3,599,565	3,757,081
Trade creditors	3,434,098	1,082,251	1,152,246	1,208,439	1,280,909
Accruals and provisions	56,935	274,496	274,496	274,496	274,496
CoJ (Loans form Shareholder)	1,572,767	1,250,029	1,250,029	1,250,029	1,250,029
Other UAC's of CoJ (Trade Payables with group companies)	171,290	178,656	182,586	192,263	201,492
Current portion of non-current liabilities	617,612	613,555	609,144	651,400	726,116
Finance lease obligation	19,006	21,315	21,783	22,938	24,039
Total equity and liabilities	22,611,370	21,549,199	23,793,406	26,502,074	29,461,235



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