



BUSINESS PLAN 2026/27

a world class African city

JOHANNESBURG
SOC Limited

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Abbreviations	
AFS	Annual Financial Statements
AGSA	Auditor-General of South Africa
ARC	Audit and Risk Committee
B-BBEE	Broad-Based Black Economic Empowerment
BCM	Business Continuity Management
CAPEX	Capital Expenditures
CBD	Central Business District
CoJ	City of Johannesburg
CRM	Customer Relations Management
CRUM	Citizen Relationship and Urban Management
CSI	Corporate Social Investment
DFFE	Department of Forestry, Fisheries and the Environment
DIFR	Disabling Injury Frequency Rate
DWS	Department of Water and Sanitation
EAP	Employee Assistance Programme
EE	Employment Equity
EISD	Environment and Infrastructure Services Department
EPR	Extended Producer Responsibility
EPWP	Expanded Public Works Programme
ERM	Enterprise Risk Management
ESP	Expanded Social Package
ESS	Employee Self Service
Exco	Executive Committee
FML	Full Maintenance Lease
FEL	Front End Loader
FY	Financial Year
GDARD	Gauteng Department of Agriculture and Rural Development
GDS	Growth and Development Strategy
GFIS	Group Forensic Investigation Services
GHG	Greenhouse Gas
GM	General Manager
GRAP	Generally Recognised Accounting Practice
HCRW	Health Care Risk Waste
ICT	Information and Communications Technology
IDP	Integrated Development Plan
ISO	International Organization for Standardization
IT	Information Technology
IWMF	Integrated Waste Management Facilities
JMPD	Johannesburg Metropolitan Police Department
JPC	Johannesburg Property Company
KPI	Key Performance Indicator

Abbreviations	
LGSETA	Local Government Sector Education and Training Authority
MD	Managing Director
MFMA	Municipal Finance Management Act, 56 of 2003
MMC	Member of the Mayoral Committee
MOI	Memorandum of Incorporation
MPG	Multiparty Government
MPAC	Municipal Public Accounts Committee
MRF	Materials Recovery Facility
MTEF	Medium-Term Expenditure Framework
MTREF	Medium-Term Revenue Expenditure Framework
MSA	Municipal Systems Act of 2000
NEMWA	National Environmental Management: Waste Act
NWMS	National Waste Management Strategy
OHS	Occupational Health and Safety
OPEX	Operational Expenditure
PPP	Public-private partnership
R&CRM	Revenue and Customer Relations Management Department
RCR	Refuse Collection Rounds
REL	Rear End Loader
RRLP	Resource Recovery and Logistics Plan
RSSC	Revenue Shared Services Centre
S@S	Separation at Source
SEHRRC	Social, Ethics, Human Resources and Remuneration Committee
SCM	Supply Chain Management
SDBIP	Service Delivery and Budget Implementation Plan
SDA	Service Delivery Agreement
SHEQ	Safety, Health, Environment and Quality
SLA	Service Level Agreement
SLS	Service Level Standards
SMME	Small, Medium and Micro Enterprise
SOC	State-Owned Company
UIFW	Unauthorised, Irregular, Fruitless and Wasteful
WiE	Waste-to-Energy

Official Sign-off

This Business Plan was developed by Pikitup with direct input from senior management. It takes account of the current operating environment, the shareholder's strategic intent, forward-looking board resolutions, and all applicable policies, legislation, and national and regional mandates.

Designation	Name and Surname	Signature	Date
Managing Director	Ms Bukelwa Njingolo		23/03/2026
Chairperson of the Board of Directors	Mr. Maxwell Nedzamba		15/04/2026
Executive Director: Environment and Infrastructure Services Department	Dr. Tebogo Modiba		19/05/2026
Member of the Mayoral Committee: Environment and Infrastructure Services Department	Cllr Jack Sekwaila		20/05/2025

Section 1: Executive Summary

Pikitup Johannesburg (SOC) Ltd is wholly owned by the City of Johannesburg. It is mandated to provide waste management and refuse removal services to Johannesburg's residents. A Board of Directors appointed by the CoJ manages and directs Pikitup's affairs in accordance with the Companies Act and the Memorandum of Incorporation, subject to accountability and oversight by the City.

South Africa's metropolitan municipalities face serious waste management challenges — rapid urbanisation, crumbling infrastructure, inadequate technical capacity, dwindling landfill airspace, logistical bottlenecks, slow implementation of waste minimisation policies, and low public awareness. Pikitup is no exception, and its ability to deliver integrated waste management services has been undermined as a result.

The sector needs sustained investment in waste infrastructure, stronger diversion and recycling programmes including waste-avoidance initiatives, greater technical capacity, faster response times, and more active community engagement.

Pikitup faces critical operational pressures: too few functional vehicles, inefficient transport and disposal arrangements, and rapidly shrinking landfill airspace. Years of underinvestment in fleet maintenance have made service disruptions a regular occurrence. Illegal dumping persists across the city largely because bylaw enforcement is weak, and damaged leachate management infrastructure continues to undermine environmental compliance.

National Treasury introduced the Metro Trading Services Reform Programme (MTSP) in direct response to the deepening crisis in South Africa's metropolitan trading services. The programme targets systemic failures, supports step-by-step operational improvement, and aims to restore financial viability, sharpen governance accountability, sustain essential services, build economic resilience, and improve living conditions for millions of South Africans.

Trading service revenue is principally derived from the sale of goods and services and, in principle, these operations should generate surpluses to fund capital investment and maintenance. In solid waste management, trading entities must produce real cash surpluses for this purpose. At the City of Johannesburg, the capacity to cross-subsidise municipal services has declined sharply over the years, making reform of the trading service model both necessary and urgent.

Business planning is the process through which the City's core departments and entities translate the City's plans, priorities, and programmes into a 12-month operational delivery programme.

It is informed by the inputs of communities, political priorities, as well as emerging issues from other spheres of government.

(a) It is primarily an operationally focused planning tool informed strategically by:

- National and provincial imperatives
- The Growth and Development Strategy (GDS) – particularly outputs and roadmap
- The City's strategic priorities and programmes
- The CoJ's high impact programmes – area-based development
- Covid-19 response
- Economic recovery

Pikitup's business planning process is aligned to the Metro Trading Services Reform, which requires full implementation of the MTSP. This reform is expected to produce the following outcomes for Pikitup:

- (a) Operational and Financial Sustainability:** More disciplined financial management of solid waste trading services, with surpluses generated and reinvested in infrastructure and long-term service delivery.
- (b) Improved Infrastructure:** Modern, efficient infrastructure that lowers operational costs and improves the reliability of service.
- (c) Increased Transparency and Governance:** Clear regulatory frameworks and financial incentives that drive better governance and financial reporting across trading services.
- (d) Access to Incentives:** Performance-based financial incentives linked to the Urban Settlements Development Grant will reward operational and financial improvements.
- (e) Optimised Use of Resources:** Better tariff structures and service management will allow Pikitup to get more out of grants, private finance, and its own internal resources.

This 2026/27 Business Plan responds to the need for a more resilient, livable, and sustainable city supported by infrastructure that is fit for a low-carbon economy. Waste prevention and minimisation, delivered through community-driven approaches, requires practical innovation, strong partnerships, and meaningful stakeholder involvement. These programmes also create opportunities for communities to participate in service delivery, which contributes directly to reducing poverty, inequality, and unemployment.

Service delivery excellence, the flagship programmes, and stakeholder engagement are the backbone of Pikitup's 2026/27 planning and implementation cycle. These priorities align with the City of Johannesburg's 2026/27 financial year commitments, its long-term strategy, and the Mayoral Priorities.

This plan also addresses the organisational changes needed to build a more effective, efficient company that delivers the high-quality services Johannesburg's residents deserve.

Section 2: Strategic Overview



To be the leading integrated waste management company in Africa and among the best in the world

VISION STATEMENT



To provide integrated, sustainable, and innovative waste management services that ensure waste reduction; re-use; recycling and recovery, and consider waste disposal (landfilling) as the last resort.

MISSION STATEMENT

Values



PEOPLE-CENTRIC

We work tirelessly to show deep respect for human beings inside our company and for the communities in which they live, while ensuring our work reflects the diversity of our people.



INTEGRITY

We are honest, open, ethical, and fair. People trust us to adhere to our word.



KNOWLEDGEABLE

We strive to employ best practices that seek to minimise the negative impacts of waste on the environment.



INNOVATION

We aim to achieve a culture of innovation and continuous improvement.



TRUSTWORTHINESS

We endeavor to get it right the first time, every time, on time with candid communication with our customers and communities when we don't.



UNITY

We pull together as a team to drive success, knowing that our success depends on our ability to help our customers, and communities receive value-added services.



PASSION

Passion is at the heart of our company. We are passionate about continuously driving sustainable environmental practices that achieve the most efficient and effective use of our resources.

Section 3: Core Mandate

Pikitup Johannesburg (SOC) Ltd. was established in terms of the Companies Act on 1 November 2001 and is mandated to provide waste management and refuse removal services to the residents of Johannesburg.

Pikitup's core mandate is to support resource security, environmental sustainability, and good governance in the CoJ. The organisation's resources are directed at the key strategies in the National Waste Management Strategy — reducing, reusing, and recycling waste streams while extracting value across the waste value chain.

Pikitup's strategic focus is on waste prevention and minimisation, delivered through community participation, practical innovation, partnerships, and stakeholder involvement. Programmes are designed to give communities a real stake in how services are delivered, which contributes to reducing poverty, inequality, and unemployment.

Pikitup's primary mandate is to provide waste management services on behalf of the City and such other municipal services as are specified in the service delivery agreement (SDA) and the entity's MOI, as amended from time to time. The SDBIP details the specific indicators and targets that must be met. This Business Plan sets out the projects and interventions that will be implemented within the resources available. Pikitup is committed to continuous performance improvement and confident that its vision will be achieved through partnerships and stakeholder engagement.

Scale of operations

Pikitup owns and operates 12 waste management depots located across the CoJ's seven regions, and manages 42 garden sites, four operational landfill sites, and a number of closed sites. Pikitup holds the licences for the Ennerdale, Robinson Deep, Goudkoppies, Marie Louise, Kya Sands, and Linbro Park landfill sites, and is legally required to manage them in accordance with relevant legislation, regulations, ordinances, and bylaws.

Demographics of Johannesburg

Johannesburg's current population is estimated at six million, making it South Africa's largest metro by population. The city accounts for approximately 40% of Gauteng's population and 10% of the country's total. Stats SA projects that by 2026 the population will grow by a further 0.7 million, reaching 6.72 million. (Note: These figures are subject to confirmation by the CoJ in light of the Stats SA Census.)

The city has a large and growing young population, which creates both opportunity and demand pressures. Some 40% of residents are aged between 20 and 39. According to Stats SA's 2021 mid-year population estimates, the city's youth population (aged 15–34) stands at 2.2 million, representing 37% of Johannesburg's total population. Young people are a critical driving force for social, economic, and political change.

Significant factors affecting the external environment

Johannesburg is recognised as the country's financial and technological hub; but, like many large cities around the world, it struggles with challenges such as:

Rapid Urbanization: Puts pressure on the city's infrastructure and services, requiring innovative solutions to manage growth and provide adequate services to residents.

Climate Change: Poses significant environmental and economic risks, necessitating sustainable practices and climate-resilient infrastructure to mitigate its impacts.

Economic Downturn: Affects the city's revenue and ability to provide services, requiring efficient resource allocation and economic development strategies to stimulate growth.

Urban Poverty and Insecurity: Requires targeted interventions to address socio-economic disparities, improve living conditions, and ensure safety and security for all residents.

Housing and Infrastructure Shortages: Demands investment in housing and infrastructure development to meet the needs of a growing population and support economic growth.

Covid-19 Pandemic: Exacerbated socio-economic hardships in vulnerable communities, highlighting the need for responsive and adaptive governance to address emerging challenges.

Environmental Pollution: Results from unsustainable waste management practices, requiring a focus on strengthening compliance with waste management standards and implementing effective waste collection systems.

These factors collectively illustrate how complex the challenges facing Johannesburg are, and why addressing them requires more than single-point interventions.

The City's strengths lie in basic service delivery and community services, and these must be continuously reinforced. Resident satisfaction has been declining, and reversing that trend is essential if the City is to be credibly seen as a service delivery leader. The focus must fall on three core dimensions: inclusive economic growth, safety, and transparent governance.

- 1) facilitating inclusive economic growth,
- 2) safety interventions, and
- 3) transparent governance.

Pikitup convened a strategic workshop to review, refine, and align its operational priorities and strategic direction for the 2026/27 financial year and beyond. The aim was to produce a coherent, actionable business plan that drives operational performance, financial sustainability, and value for stakeholders.

3.1 Revenue Sustainability and Contract Compliance

There is a material gap between services rendered and revenue collected. An internal exercise has identified customers receiving services without valid contracts, particularly in the inner city. Properly scaled, this revenue recovery work could generate significant additional income.

Closing this gap is a high-priority financial sustainability measure that needs to be operationalised without delay.

3.2 Inner City Operational Complexity

The inner city presents Pikitup with some of its toughest operational conditions: high-density buildings with inadequate waste storage, hijacked and abandoned properties with untraceable owners, and illegal dumping driven by informal traders and uncontracted businesses. Existing bylaws are not adequate for these circumstances and need urgent review and enforcement.

3.3 Governance, Risk, and Accountability

Pikitup's risk mitigation implementation rate dropped sharply, from 81% to 56% year on year. This is a serious governance concern. Contractor oversight, staff transport arrangements, and incapacity management were all found to lack clear frameworks and consistent application.

3.4 Organisational Culture and Performance

The Chairperson raised serious concerns about organisational culture — specifically the high salary bill relative to service delivery outputs and the predominantly reactive posture of operations. A meaningful cultural shift towards accountability, discipline, and delivering more with available resources was called for, backed by structured change management.

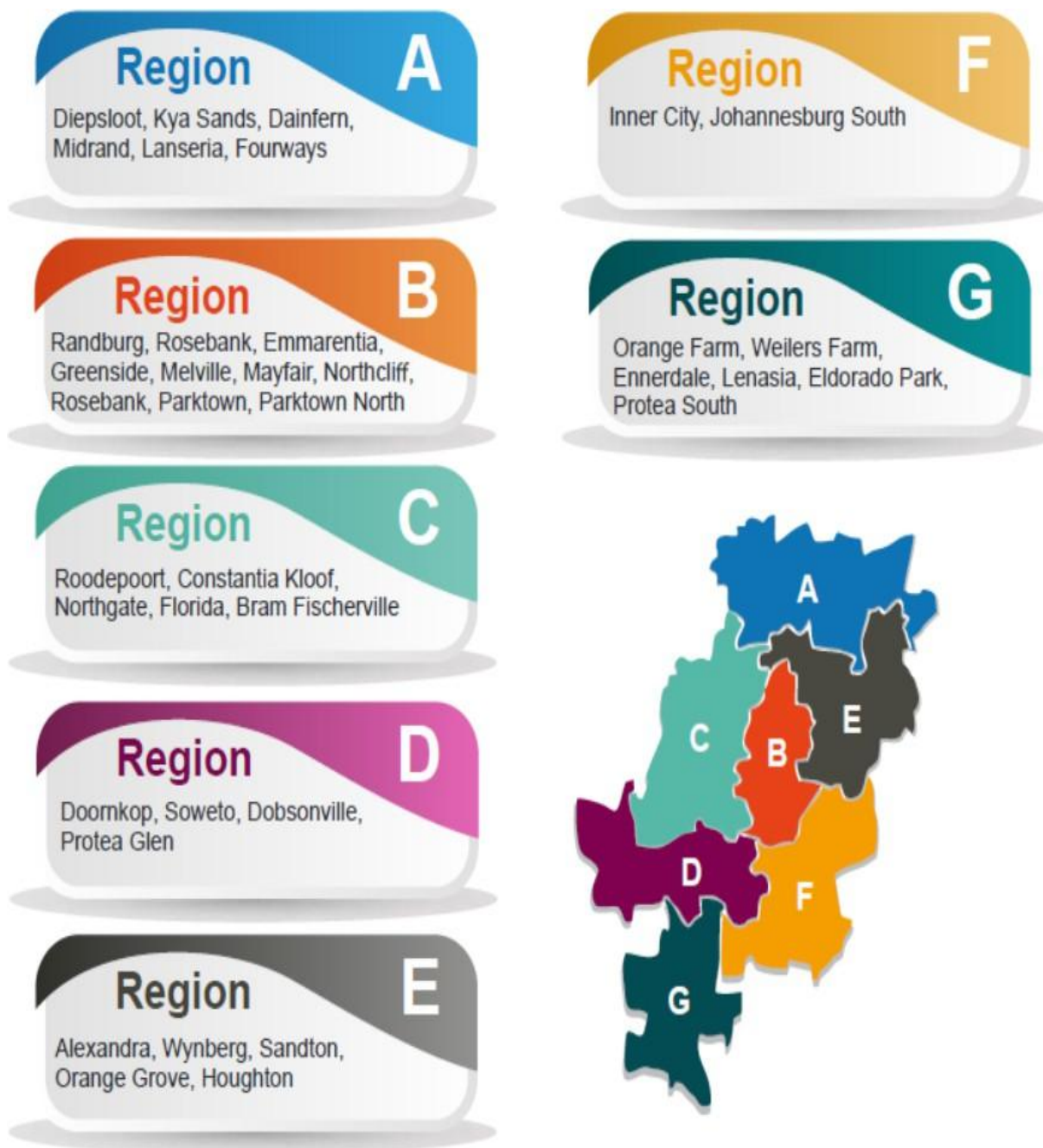
3.5 Communication and Reputation Management

Pikitup's communications function is reactive and under-resourced relative to the organisation's current reputational exposure. The absence of a Crisis Communication SOP restricted social media response speed, and there are no designated communication contacts within departments — both gaps that must be addressed.

3.6 Strategic Alignment and Planning

There are concrete opportunities to align the 2026/27 Business Plan more deliberately with the City's IDP, mayoral priorities, ESG commitments, National Treasury trading reforms, and emerging G20-related funding streams.

Figure 3.1: CoJ regions services by Pikitup



Waste categories generated

Illegal dumping in cities is rarely caused by a single factor. Pikitup attributes the problem to population growth, the spread of informal settlements, non-compliance with waste management requirements, and service delivery gaps — not operational failure alone. Cities that manage illegal dumping effectively do so by combining reliable services, firm waste separation regulations, enforcement, and sustained community education. Illegal dumping in Johannesburg reflects this same convergence of systemic constraints, behavioural choices, and governance gaps.

The table below illustrates the categories of waste generated in the CoJ.

Table 3.1: Waste generated in the CoJ

Categories	Description
General waste	Domestic general waste: Waste generated by households. This waste usually contains recyclable materials, non-recyclable materials, garden refuse, soil and construction and demolition waste.
	Business general waste: Waste that includes all waste produced by supermarkets and businesses that is non-hazardous. This waste usually contains high quantities of recyclable materials.
Organic waste	Garden refuse and food waste.
Construction and demolition (C&D) waste	Concrete, mortar, bricks, wood, insulation materials, gypsum, etc. generated from construction and demolition sites.
Health care risk waste (HCRW)	Discarded blood and human tissue; sharp infectious materials; expired pharmaceuticals; etc.
Hazardous waste	Used mineral oils, solvent residues, paint and resin waste, organic chemical residues, putrescible waste, sewage sludge and expired agricultural chemicals (pesticides), etc.
Other waste types	This includes agriculture, abattoirs, and waste tyres.

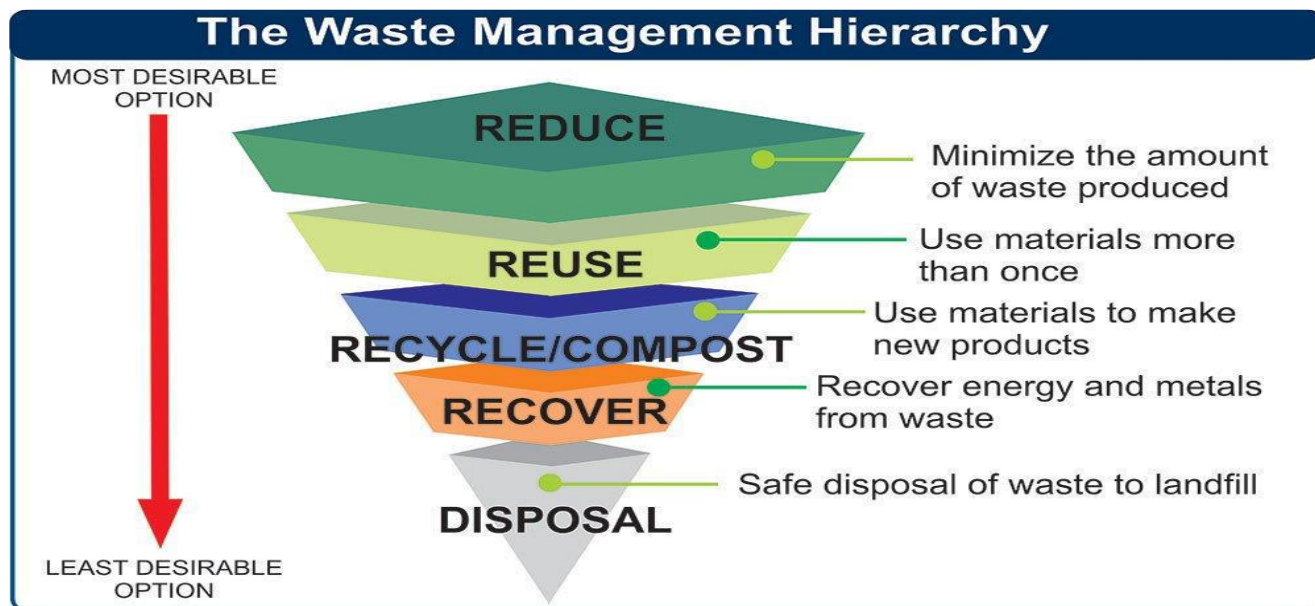
Table 3.2: Pikitup waste activities

Pikitup Waste Activity	Definition
Round Collected Refuse	Refuse Collection Rounds (RCR)
Illegal Dumping	Refers to waste disposed of in areas not designated for waste dumping such as open spaces and sidewalks.
Dailies	Refers to putrescible waste generated by hotels, restaurants, food shops, hospitals, and canteens that must be collected daily, to prevent the waste from decomposing and presenting a nuisance or an environmental or health risk.
Informal Areas	Areas receiving output-based or one-day cleaning services as opposed to formal settlements incorporated into the RCR rounds which receive multiple-day cleaning per week.
Bulk Containers	The collection of skips and containers from bulk commercial customers.
Street Cleaning	Street cleaning entails waste picking and sweeping in high-population density areas. Outside perimeters of taxi ranks, shopping malls and bus stations form part of street cleaning.

Garden Sites	Refers to garden waste collected at garden sites.
Other	FEL, REL, hostels, bin collection, bin delivery, administration, ad hoc, special, people carrier, composting, underground bin, lift, etc.

Waste hierarchy diagram

Waste Prevention – as a subsidiary
Waste Collection – as a driver



Pikitup places waste prevention and minimisation at the top of its waste management hierarchy, treating disposal as the last resort and collection as an enabling mechanism that supports prevention rather than replacing it. This is consistent with the approach taken by Johannesburg and comparable cities including Tokyo, New York City, Ekurhuleni, and Cape Town — all of which treat prevention as a strategic driver while keeping collection as a critical operational function.

Are we departing from Prevention to just Collection?

Pikitup has specific targets to reduce landfill dependency and expand diversion systems through separation at source and waste-to-energy initiatives. Waste prevention remains central to the strategy; collection has not displaced it, even though collection volumes remain substantial.

Section 4: Legislation and Policy Environment

4.1 Legislation and Policy Environment

Oversight of waste management in South Africa sits with the national Department of Forestry, Fisheries and the Environment (DFFE), through its Chemicals and Waste Management branch. The provincial authority for Gauteng, the Gauteng Department of Agriculture and Rural Development (GDARD), is responsible for promulgating provincial legislation, supporting municipalities, and licensing and monitoring both public and private waste activities.

Under the South African Constitution, local municipalities must collect, remove, and store waste efficiently and effectively within their boundaries. They also regulate waste management through their own bylaws. Within the City of Johannesburg, the Environment and Infrastructure Services Department (EISD) is responsible for waste management oversight and the development and enforcement of waste regulations.

The National Waste Management Strategy (2020) requires metropolitan municipalities to integrate waste pickers into municipal collection systems by adopting the national Waste Picker Integration Guidelines (DEFF and DSI, 2020) and developing Waste Picker Integration Plans. In the third quarter of 2022, DFFE issued Memoranda of Understanding to municipalities on informal sector integration, signalling its intent to enforce this requirement.

The NWMS (2020) places considerable emphasis on separation at source, including finalising national S@S guidelines, investing in targeted programmes, and running public awareness campaigns. The target is for 50% of municipalities to have S@S programmes in place by 2027.

The CoJ's EISD documented its waste diversion plans in the Integrated Waste Management Plan (IWMP), as required by NEMWA. The last version was published in 2011. EISD is currently updating the IWMP, though it has not yet been released for public comment.

The City's Integrated Waste Management bylaw was updated in 2021. The bylaw governs all waste generation and management operations in the City, expressing the City's responsibility to ensure that all waste is managed appropriately.

National EPR regulations came into force on 5 November 2021, requiring producers to implement extended producer responsibility for paper, packaging, certain single-use products, electrical and electronic equipment, and lighting. PROs are required to co-operate with municipalities, within three years of scheme implementation, to increase recovery of the relevant products from municipal waste.

In addition to waste management legislation, Pikitup's compliance bridges other specific legislation highlighted in the table below.

Legislation	Jurisdiction
Atmospheric Pollution Prevention Act, No.45 of 1965	National
Basic Conditions of Employment Act, No.75 of 1997	National
Broad-based Black Economic Empowerment Act, No.53 of 2003	National
The Constitution of the Republic of South Africa Act, No.108 of 1996	National
Civil Proceedings Evidence Act, No.25 of 1965	National
City of Johannesburg Waste Management bylaws	Provincial
Companies Act, No. 71 of 2008	National
Competition Act, No.89 of 1998	National
Consumer Protection Act, No.68 of 2008	National
Copyright Act, No.98 of 1987	National
Criminal Procedure Act, No.51 of 1977	National
Department of Water Affairs and Forestry. 1998: Minimum requirements for waste disposal by landfill, (2 nd Ed), Republic of South Africa	National
Designs Act, No.195 of 1993	National
Electronic Communications and Transactions Act, No.25 of 2000	National
Employment Equity Act, No.55 of 1998	National
Income Tax Act, No.58 of 1962	National
Information Act, No.70 of 2002	National
King IV Code on Corporate Governance	National
Labour Relations Act, No.66 of 1995	National
Legal Deposits Act, No.54 of 1997	National
Medical Schemes Act, No.131 of 1998	National
Municipal Finance Management Act, No.56 of 2003	National
Municipal Structures Act, No.117 of 1998	National
Municipal Systems Act, No.32 of 2000	National
National Archiving Act, No.43 of 1996	National
National Environmental Management: Air Quality Act, No.39 of 2004	National
Medical Schemes Act, No.131 of 1998	National

Legislation	Jurisdiction
Municipal Finance Management Act, No.56 of 2003	National
Municipal Structures Act, No.117 of 1998	National
Municipal Systems Act, No.32 of 2000	National
National Archiving Act, No.43 of 1996	National
National Environmental Management: Air Quality Act, No.39 of 2004	National
National Environmental Management Biodiversity Act, No.10 of 2004	National
National Environmental Management Waste Act, No.59 of 2008	National
National Health Act, No.61 of 2003	National
National Road Traffic Act, No.93 of 1996	National
National Water Act, No.36 of 1998	National
Occupational Health and Safety Act, No.85 of 1993	National
Pension Funds Act, No.24 of 1956	National
Preferential Procurement Policy Framework Act, No.5 of 2000	National
Prescription Act, No.68 of 1969	National
Promotion of Access to Information Act, No.2 of 2000	National
Promotion of Administrative Justice Act, No.3 of 2000	National
Protected Disclosures Act, No.26 of 2000	National
Protocol on Governance in Public Sector	National
Public Audit Act, No.25 of 2004	National
Road Traffic Act, No.29 of 1989	National
Road Accident Fund Act, No.56 of 1996	National
Skills Development Act, No.97 of 1998	National
Skills Development Levy Act, No.9 of 1999	National
Stamp Duties Act, No.77 of 1968	National
Tax on Retirement Funds Act, No.38 of 1996	National
The Compensation for Occupational Injuries and Diseases Act, No.130 of 1993	National
The Environment Conservation Act, No.73 of 1989	National
The National Environmental Management Act, No.107 of 1998	National

Legislation	Jurisdiction
Unemployment Insurance Act, No.63 of 2001	National
Unemployment Insurance Contributions Act, No.4 of 2002	National
Value Added Tax Act, No.89 of 1991	National

4.2 Cleanliness Levels Standards

Photometric standards are an accepted method for measuring cleanliness levels and are in accordance with the Gauteng Department: Agriculture and Rural Development (GDARD) standards

The Service Delivery & Budget Implementation Plan (SDBIP) indicates various targets for cleanliness, based on a photometric evaluation system. These cleaning levels are described in an index developed by the City of Johannesburg and formed part of the service level agreement (SLA) between the CoJ and Pikitup at the establishment of the entity.

Pikitup has aligned with the GDARD standards and therefore has set its targets and reports accordingly. The description of each cleanliness level is reflected in the diagram below:

Figure 4.1: Photometric cleanliness levels adapted from GDARD standards

<u>LEVEL 1</u> No visible litter, dirt and/or foreign matter, i.e. clean and free of any man-made, man-used and misplaced material (excluding sand and grit).	<u>LEVEL 2</u> Predominantly free of litter & refuse except for some small items	<u>LEVEL 3</u> Sparse littering, no more than 5-10% of the visible surface contains litter. Litter can be collected by means of litter picking	<u>LEVEL 4</u> Littering more obvious. Up to 30% of the visible surface contains litter. Litter can be collected by litter picking. Some areas may require the use of a broom.	<u>LEVEL 5</u> Dense littering. More than 30% of the visible surface contains litter. Whole area must be swept. Litter generation rate is high. Needs urgent attention, i.e. "Very Dirty".
				

Section 5: Strategic Goals and alignment to CoJ's priorities and programmes

5.1 Strategic Goals

The SDBIP sets out the indicators and targets that must be achieved. This Business Plan details the projects and interventions to be implemented within available resources. Pikitup is committed to continuous performance improvement and to achieving its vision through partnerships and stakeholder collaboration. The entity has identified the following five strategic goals, informed by the Mayoral Priorities, the National Environmental Management Act, the National Waste Management Strategy, and Pikitup's own material issues:

PIKITUP STRATEGIC GOALS

STRATEGIC GOALS	Goal	Strategic Focus	Objective	Explanation	Implementation Pathways
	Goal 1: Integrated waste management, waste prevention, and waste minimisation	Promotion of waste minimisation and recycling	Objective 1.1: To ensure that waste to landfills is minimised	This is the primary measurable outcome of Goal 1 . It's success hinges on diverting waste before it reaches the landfill.	Separation @Source Recycling & Recovery Expansion Organic Waste Diversion Through EISD Integrate waste pickers Gradually implement bans on specific recyclable or compostable materials entering landfills
		Development of alternative waste treatment technologies.	Objective 1.2: To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner	Effective diversion requires infrastructure to collect, sort, process, and recover value from diverted streams. Sustainable disposal implies the residual waste after maximising diversion is managed with minimal environmental impact and potential energy recovery.	Strategically locate and develop buy-back centres, Material Recovery Facilities (MRFs), composting facilities, anaerobic digesters, and hazardous waste handling sites Invest in Waste-to-Energy (WtE - thermal or biological) technologies for non-recyclable/non-compostable residues
	Goal 2: Realisation of value throughout the waste value chain	Integration of informal waste recyclers- Circular Economy Principles	Objective 2.1: To use waste as a resource for poverty alleviation and job creation opportunities	Focuses on the social and economic value extraction, particularly benefiting marginalized communities and unemployed individuals.	Supporting Informal Sector Enterprise Development community-based collection, cleaning, composting
	Goal 3: Effective delivery of waste services	Enhancement of waste collection and Disposal efficiencies	Objective 3.1: To ensure effective and efficient waste services	Covers the breadth of municipal waste services, emphasizing both operational performance (efficient) and service quality (effective / cleanliness levels).	Standardized Service Levels Implement route optimization software, efficient fleet management and scheduling for collection and street cleaning. Implement systems to track collection rates, service complaints, cleanliness audits (e.g., Litter Index)

Goal 4: Partnerships and involving stakeholders	Community Engagement and Education	Objective 4.1: Increasing partnerships to deliver and ensure active stakeholder engagement	Focuses on building collaborative structures and driving meaningful participation from all key actors.	Multi-Stakeholder Forums (e.g., Waste Management Advisory Committee) with representatives from business, labour, civil society. Producer Responsibility Schemes Targeted Awareness & Education	
Goal 5: Building an efficient, effective, and viable waste management company	Repositioning of the Commercial Services	Objective 5.1: To optimise financial and operational sustainability	Addresses the core business health – moving from deficit to surplus through better revenue management, cost control, and operational improvements.	Ensure tariffs they adequately reflect service costs (including diversion infrastructure). Revenue Diversification: Generate income from sale of recyclables, compost, energy (WtE, LFG), gate fees at facilities.	
	Enhancement of waste collection and Disposal efficiencies	Objective 5.2: To improve customer satisfaction and change behaviour	Recognizes that the entity's service quality directly influences citizen willingness to participate (e.g., separate waste, pay bills, not dump).	Service Quality Focus Customer Feedback Mechanisms Clearly communicate service schedules and changes Rewards for high diversion areas.	

5.2 Alignment of strategic goals to the CoJ's priorities and programmes

In 2015, one hundred and ninety-five (195) nations (one of which was South Africa) around the world entered into an agreement to change the world. The modalities to accomplish this agreement were through the 17 Sustainable Development Goals (SDG). Development planning, in this context, involves the South African government deciding on national priorities and creating a road map to achieve them.

In 2012, South Africa adopted the National Development Plan (NDP) 2030. This sets out the vision for the country and provides a long-term plan for achieving the vision through changes in the socio-economic structure and in the culture of society which is the result of the country's history of oppression, exploitation and dispossession. Achieving the NDP goals requires cooperation between national, provincial and local government and with the private

sector and civil society. The District Development Model (DDM) was subsequently adopted by the cabinet on 21 August 2019. The DDM is an operational model for improving cooperative governance aimed at building a capable, ethical Developmental State.

The Gauteng Provincial Government launched the Growing Gauteng Together (GGT) 2030 programme in February 2020. The GGT 2030 reflects a collective vision for the Gauteng City Region for 2030. The priorities of the GGT 2030 are as follows: economy, jobs and infrastructure, education, skills revolution, health, integrated human settlements and land release, safety, social cohesion and food security, building a capable, ethical and developing state, building a better Africa and the world, and sustainable development for future generations.

The City's Integrated Development Plan (IDP) has been consciously aligned with the long-term strategy. This practice will remain, ensuring that the long-term strategy is translated effectively into medium-term programmatic operational planning and budgeting. Together the IDP and long-term strategy are assessed every five years before the start of a new term of office. As part of this review, an assessment of the outcomes of the 2011 Joburg 2040 GDS was undertaken. The strategy offers a clear vision, mission and framing paradigm and principles, alongside outcomes, outputs and indicators. Four overarching outcomes define the Joburg 2040 GDS. The outcomes are as follows:

- **Outcome 1:** Improved quality of life and development-driven resilience for all.
- **Outcome 2:** Provide a resilient, livable and sustainable urban environment – underpinned by smart infrastructure supportive of a low-carbon economy.
- **Outcome 3:** An inclusive, job-intensive, resilient, competitive and smart economy that harnesses the potential of citizens.
- **Outcome 4:** A high-performing metropolitan government that pro-actively contributes to and builds a sustainable, socially inclusive, locally integrated and globally competitive Gauteng City Region.

Each outcome is driven by several strategic outputs. The GDS outputs represent intervention areas where the City plans to intervene now in order to achieve our desired long-term outcomes.

In February 2023, the City of Johannesburg swore into power the Government of Local Unity. Eleven strategic priorities were identified for the City in the period leading to the end of the term. They include good governance, financial sustainability, energy mix, sustainable service delivery, infrastructure development, job opportunity and creation, safer city, active and engaged citizenry, sustainable economic development, green economy, and smart city.

In March 2020, South Africa was declared a state of national disaster due to the advent of Covid-19 on its shores in February. Since then, key government interventions have been employed to respond to the virus in a manner that will not devastate the nation. The City has undertaken various actions in line with national and provincial requirements to play its part in ensuring that the virus does not spread out of control in its communities. Therefore, due to the nature of the virus, the City needs to continue undertaking action to contribute and minimise the impact of the virus in communities. As such, minimising the impact of Covid-19 formed part of the City's previous strategic priorities as the eleventh priority.

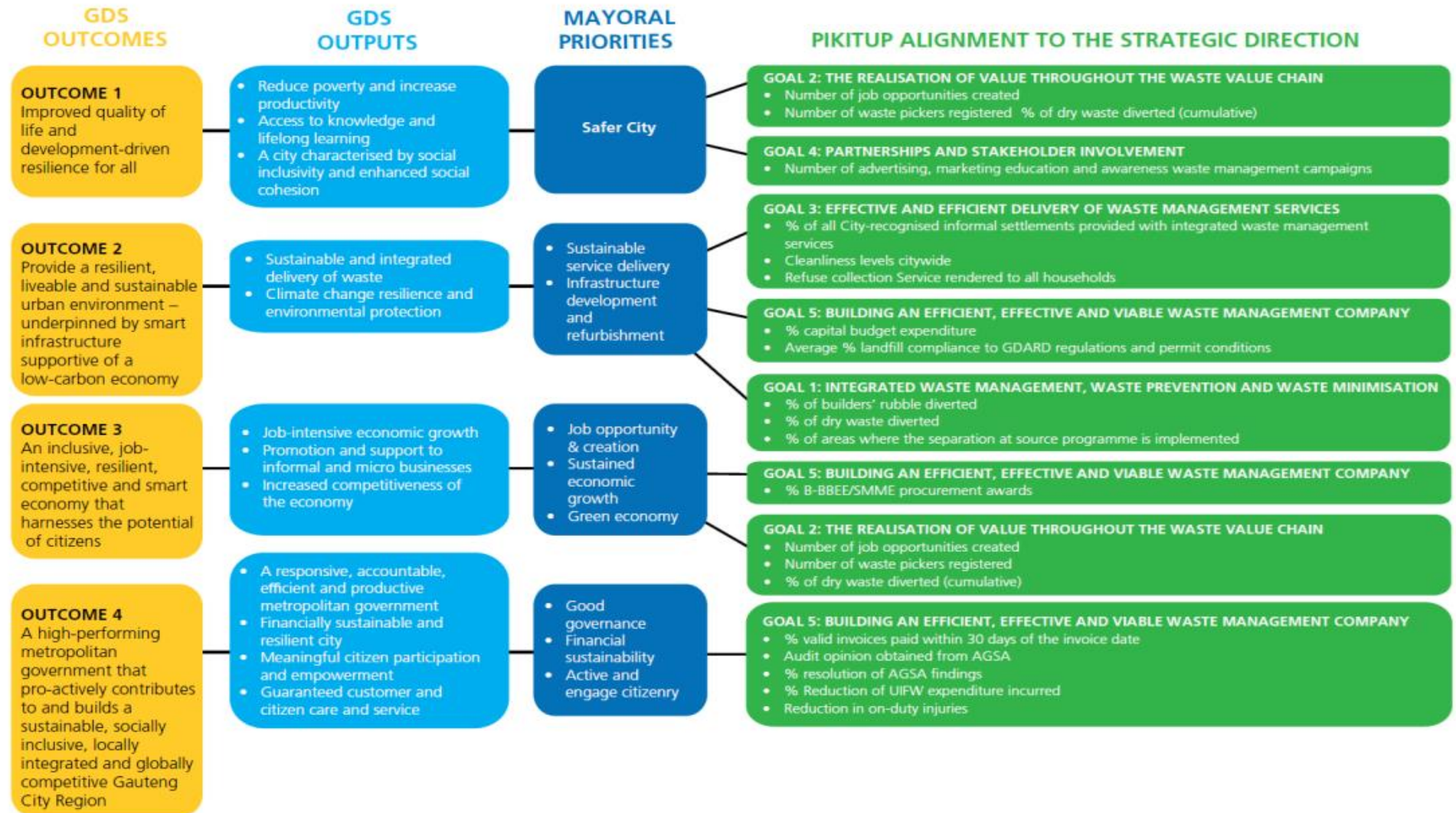
The figure below presents the City's strategic planning process and how Pikitup aligns to the strategic objectives of the City.

Informal Settlement (UISP) Policy Alignment

Informal settlements are a key service delivery pressure point, driven by rapid urbanisation and uneven infrastructure coverage. Pikitup currently provides structured waste services to 207 recognised informal settlements, while the City identifies approximately 312 requiring varying levels of intervention. Closer coordination with Human Settlements and regional offices is needed to ensure interim waste services reach unrecognised settlements without disrupting UISP upgrading. Pikitup supports a differentiated service approach — communal collection points, skip containers, and adjusted collection frequencies where access is constrained. Aligning waste service planning with the City's informal settlement database and UISP phasing plans will enable Pikitup to progressively extend coverage within national policy requirements, protecting environmental health across all settlements while formalisation proceeds incrementally.

Figure 5.1: Pikitup's alignment to strategic goals and Mayoral Priorities

Figure 5.1: Pikitup's alignment to strategic goals and Mayoral Priorities



Section 6: Our Response to Community Issues

6.1 Expanded Public Works Programme

Poverty, inequality, and unemployment in Johannesburg have deep roots that stretch back decades. They show up not just as deficits in income and basic living conditions, but as a much broader lack of skills, capital, and pathways to employment — particularly at the entry-level and micro-enterprise level where the most jobs could realistically be created. Financial systems and professional development opportunities simply do not reach into the most deprived communities. Against this backdrop, Pikitup — in line with the Executive Mayor's priorities — must actively engage communities in waste management work. The entity can do so because its operational model already draws on community-based activity that is essentially waste-related. The approach is therefore to treat waste management as a collective effort, enlisting private and informal sector partners to extend Pikitup's reach and create local economic opportunities.

The EPWP links Pikitup's operations directly to job creation, community upliftment, and a cleaner city. The programme covers illegal dumping reduction, food resilience, and job opportunities, and involves schools, churches, clinics, NGOs, and local businesses. It is built around a progressive procurement model that creates community-driven service delivery, develops local micro-economies, and builds value chains across the city. Both established entrepreneurs and new entrants can participate, drawing on Johannesburg's substantial pool of unemployed and underemployed people. SMMEs and co-operatives play a central role in programme implementation through the following activities:

(a) Street sweeping and litter picking

- Sweeping the street and pavements, emptying litter bins including any refuse dumped illegally on the streets and open spaces and maintaining the cleanliness of the area constantly at Level 1 (according to GDARD standards).
- Inspection of the sites.

(b) RCR collection and removal of street bags

- Collection of full refuse bags and/or 240ℓ bins, taking them to allocated centralised collection points where the service provider's designated workers load into Pikitup collection vehicles that transport the collected waste to licensed waste disposal sites such as landfills and nodes.

(c) Eradication and rehabilitation of illegal dumping spots

- Pikitup will hand over clean areas to service providers and it will be the responsibility of SMMEs to maintain cleanliness. Clearing illegally dumped waste and rubble in open spaces and street pavements within the allocated areas will have to be done but needs to be eradicated.
- Ensuring rehabilitation of a spot is done after the eradication of illegal dumping and ensure that there is an official handover of the spot(s) to the adjacent community in the allocated areas.

d) Education and awareness campaign to inform the residents of the programme and its operation

- Partnering with the local ward committees, community-based organisations or SMMEs to roll out littering and illegal dumping prevention programmes in partnership with the targeted communities (education and awareness in consultation with Pikitup).
- Dissemination of information regarding the programme, its operation and waste management in general.
- Service providers are expected to attend ward committee meetings to generate awareness of the project, resolve issues and create acceptance of the project.
- This will assist SMMEs/co-ops to make more profits.

Through this intervention, it is expected for the project duration to yield at least 2450 EPWP work opportunities. The project targets youth, women and previously disadvantaged individuals. The total numbers required per depot are as follows:

Table 6.1.1: Workers required per region for EPWP (Update)

REGION	DEPOT	COOPERATIVES	TOTAL
80	Midrand	4	270
65	Waterval	2	116
95	Randburg	4	270
75	Roodepoort	4	260
110	Zondi	8	410
30	Central Camp	5	380
55	Marlboro	3	150
20	Southdale	4	200
60	Norwood	2	145
50	Selby	5	600
25	Avalon	3	145
25	Orange Farm	3	150
Bulk			40
TOTALS		51	2450

6.2 Separation at Source Programme

Separation at Source is a recycling programme that asks households to sort recyclable waste — paper, bottles, plastics, glass, tins — from non-recyclable material and place it in separate receptacles. The aim is to keep recyclables out of landfills, reduce transport costs, extend landfill life, reduce littering and illegal dumping, support job creation, and encourage communities to take an active role in environmental protection. The programme has the following socio-economic benefits:

- Educational value, active citizenship, and participation rate;
- Creation of formal employment opportunities;
- Income generation;
- Skills transfer;
- SMME development and business growth;
- Reuse, recycling and waste reduction patterns on the environment.

(a) Creation of formal employment opportunities

The separation at source rollout across Johannesburg has created formal employment opportunities and will continue to do so as the programme expands. The main employment-related opportunities include the establishment of buy-back centres and cooperatives, and work for individual informal waste reclaimers.

- Forming of formal buyback centres/cooperatives; and
- Individual informal waste reclaimers.

Recycling is a highly labour-intensive sector where commodity prices are low and volatile. Despite this, many residents — particularly those from low-income areas — depend on recycling as their primary or sole source of income.

(b) SMME development and business growth

SMME and entrepreneurial development is a priority for the City of Johannesburg. The goal is to tackle poverty and income inequality by identifying the right support mechanisms and creating conditions for sustainable enterprise growth. Separation at source was designed partly to bring cooperatives into recycling activities — a shift in how the City creates value from waste.

The separation at source project draws communities into recycling and waste collection activities. Through the programme, cooperatives can become financially viable businesses that employ community members and create lasting jobs. As the programme rolls out across more of the city, new opportunities emerge for cooperatives and SMMEs to add value to recycled materials — but many of these represent a conversion of informal work into formal employment, rather than entirely new jobs.

Recyclables do not always need to go through industrial processing — crushing, melting, or pelletising. In many cases, materials can be made into products for sale. Possible manufacturing ventures from recyclable materials include furniture production, paper manufacturing, jewellery making, toy making, décor items, recycled plastic products, packaging materials, and construction materials.

- Furniture production;
- Manufacturing of recycled paper;
- Jewelry making;
- Making of toys
- Manufacturing of décor items;
- Recycled plastic bottles and containers;
- Recycled packaging materials; and
- Recycled construction materials and products

There is also an opportunity for entrepreneurs to collect recyclables from businesses, government offices, and large industries — since the current separation at source programme focuses primarily on households.

A further option is to separate the collection and processing functions. If collection is handled by SMME transport operators, buy-back centres and cooperatives can focus entirely on sorting and processing, which increases their throughput and revenue potential. In lower-income areas, communal collection — where residents place waste at central container points — can make collection more efficient and allow cooperatives to cover larger areas at lower cost.

Pikitup's dry waste separation at source programme runs on a cooperative model. Community-based cooperatives collect and sort dry recyclables from residents, with Pikitup providing sorting facilities, collection trucks with drivers, and recycling bags to some cooperatives. The recycling sector, once seen as low-status, is changing — women in particular are increasingly taking leading roles, and broader attitudes towards the industry are improving.

Recycling ventures are realistic opportunities for women and young people, particularly in low-income areas, as the barriers to entry are relatively modest. Manufacturing-based recycling activities — rather than collection and sorting — can enable women to start home-based businesses that provide supplementary income. The image below shows a women-owned cooperative operating from the Marlboro depot.

Figure 6.2.1: Reashoma Cooperative under the Separation at Source Programme



(c) Skills transfer

Although separation at source does not have skills transfer as a direct objective, it creates conditions for skills development. Door-to-door educators — drawn from local communities — receive training in the principles of separation at source and pass that knowledge to residents during the programme rollout. They cover what can be recycled, why it matters, how to use the recycling bags, and where to get more information.

People working at buy-back centres and cooperatives also need practical business knowledge — how to negotiate with companies like Nampak, Collect-a-Can, and Tetrapak, and how to manage finances, staff, and client relationships. Running a viable recycling cooperative requires the same range of management skills as any small business.

6.3 Waste Picker Integration Programme

The informal recycling sector — particularly waste pickers — plays a recognised and significant role in waste recovery. Formalising this sector creates genuine opportunities for social inclusion. When waste pickers organise collectively, they earn more, improve their working conditions, strengthen their bargaining position, and can enter into contracts with industry or access donor funding. Cooperatives allow members to bypass middlemen, add value to materials, and access better markets. Beyond the financial benefits, being part of a formal cooperative — with a uniform and an identity — improves dignity and self-esteem.

Waste pickers are active throughout Johannesburg, recovering recyclables from households, commercial premises, and landfill sites. The City has formally recognised the value they add to waste minimisation and has taken steps to integrate them into the municipal waste management system through a waste picker empowerment project. The project aims to:

- (a) Empower waste pickers through training and skills development;
- (b) Create an enabling environment for the waste pickers to participate in City's waste management service delivery;
- (c) Enhance the efficiency of waste pickers by providing appropriate tools/equipment;
- (d) Foster working partnership between the City, residents, waste pickers and private sector;
- (e) Improve working conditions by minimizing exposure to health and occupational hazards during operations;
- (f) Assist the City in meeting its legislative obligations and creating sustainable jobs through its active participation in mainstream waste management service delivery.

6.4 War-on-Waste Programme

The inner city has grown from its origins as a mining camp into a major commercial and residential hub. But visible decline is evident on many fronts, and the work of restoring the inner city cannot wait. That task demands commitment from all stakeholders — and a willingness to find practical, creative solutions. The private sector has a real role to play in improving the cleanliness of the inner city, and residents need to understand the direct connection between waste management and public health. Pikitup's Communications and Stakeholder Engagement Department will deliver the following as part of the campaign:

(a) Education and awareness

- Conduct door-to-door environmental education and awareness to inner-city residents.
- Knock & drop – this involves interaction with residents whereby different educational pamphlets will be distributed to create awareness on various environmental issues.
- Conduct business blitzes to encourage businesses in the Inner City to open accounts with Pikitup.
- Invite the University of Johannesburg, Rosebank College, co-operatives and other stakeholders to join the campaign.
- Conduct waste management training for relevant stakeholders.

(b) Marketing and events

- Create ongoing awareness and mobilise the public to join in the campaign using different media channels (radio, print, social media, etc.).
- Negotiate with Mzansi Joburg City FM to avail outside broadcast during clean-ups.
- Promote the campaign and clean-ups through radio and print media interviews.
- Take care of the required branding and other logistics during activations.
- Promote clean-ups on social media and websites.

(c) Stakeholder involvement

- Engage relevant City departments and entities on the role they can play in restoring the pride and glory of the Inner City.
- Mobilise inner-city based businesses to adopt a street.
- Facilitate the orientation of the inner-city private security to waste bylaws.

(d) Communication activities

- Promote clean-ups through social media.
- Facilitate and co-ordinate media interviews.

- Compile and send relevant media releases.
- Write and send post-campaign media releases highlighting status and impact of the campaign based on recycling tonnages collected, number of streets cleaned, amount of illegal dumping cleared, number of advertisements done, number of door-to-door activations conducted, etc.

(e) Citizen relationship management (CRM)

- Conduct environmental education and awareness.
- Invite relevant stakeholders to join the campaign.

Section 7: Strategic Analyses

Johannesburg faces growing pressure on waste infrastructure from urban expansion, population growth, and an increasingly constrained funding model. Substantial investment will be required to address these challenges.

To address these challenges, a strategic approach is necessary, focusing on:

1. Improving infrastructure to meet growing demands
2. Increasing fiscal allocation to Pikitup to support its operations
3. Fostering community engagement in waste management projects to promote sustainability and ownership

Adopting this approach will put Pikitup in a better position to meet the city's waste management needs and build a more sustainable future for Johannesburg.

Service Point Audit & Backyard Dwellers

Backyard dwellings generate significant waste volumes that are not captured in official household data. In areas like Alexandra and Soweto, the gap between recorded and actual households results in overloaded bins, more illegal dumping, and inefficient service delivery. A targeted audit would allow Pikitup and the City to quantify actual service demand and calibrate bin allocation and collection frequencies accordingly. The IWMP requires accurate waste data for planning, cost recovery, and full-cost accounting. Additional bins should only be issued and billing adjustments considered once verified household data is in hand. Pikitup recognises the need to plan and scope such an audit, even though it will be resource-intensive and costly given current capacity and budget constraints. It is a necessary step toward fair, data-driven service delivery.

.1 Refuse Removal Backlogs

.1.1 Customer Satisfaction Survey

Pikitup uses the CoJ's Customer Satisfaction Survey to track customer perceptions of our services and levels of trust in the organisation. The results help us identify where service is falling short and shape our strategies for addressing negative sentiment. Our customers are the organisation's most important stakeholder, and their feedback drives how we prioritise improvement.

The CoJ Household Satisfaction Survey 2023/24 measured how satisfied Johannesburg residents are with municipal services and where intervention is needed. The Basic Services Household Satisfaction score for 2023/24 was 88.8%, with refuse collection satisfaction and affordability as key contributors to

this result. The main findings are shown in the diagrams below.

Figure 7.1.1: Refuse collection index score ratings from the CoJ Household Satisfaction Survey

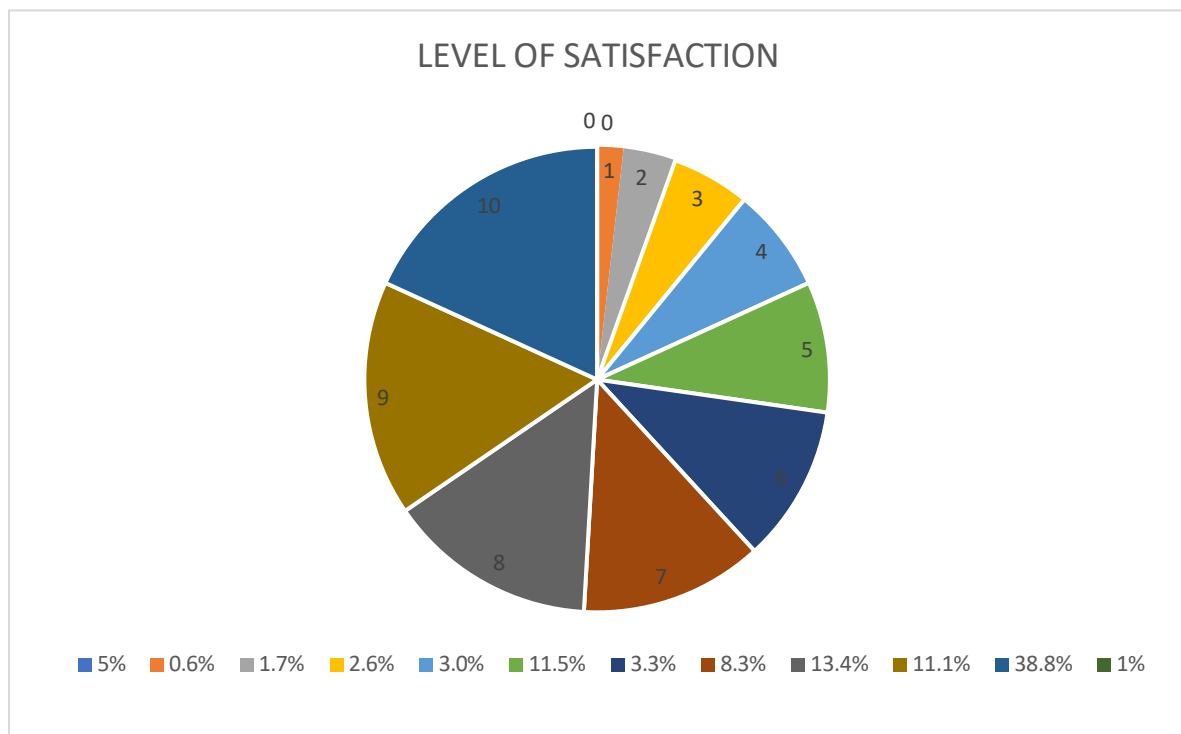
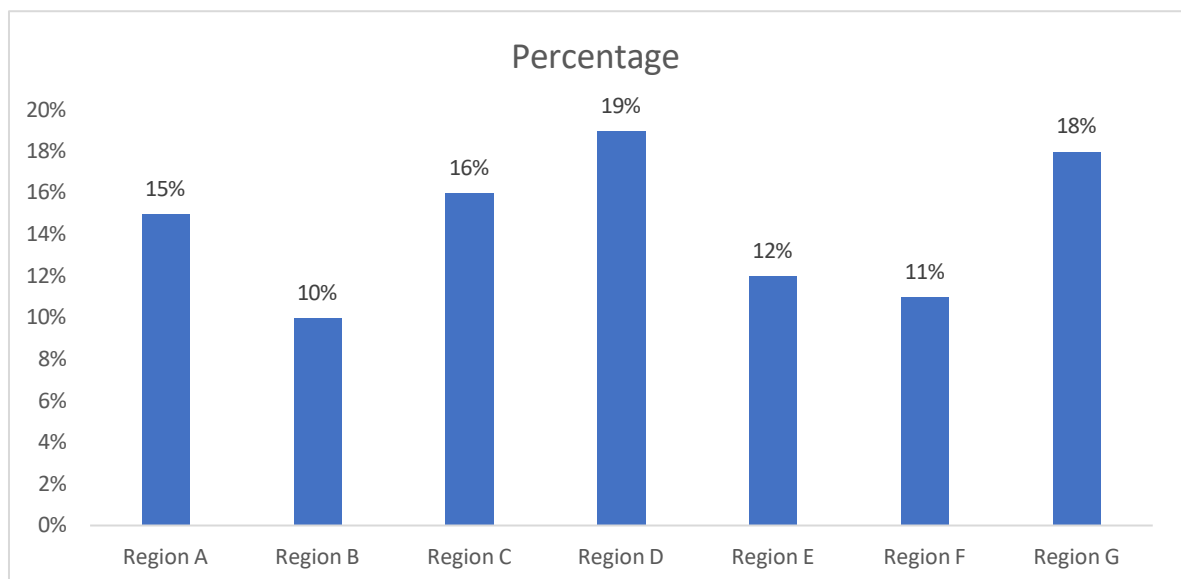


Figure 7.1.2: Refuse collection Household Satisfaction Survey results per CoJ region 2023/2024



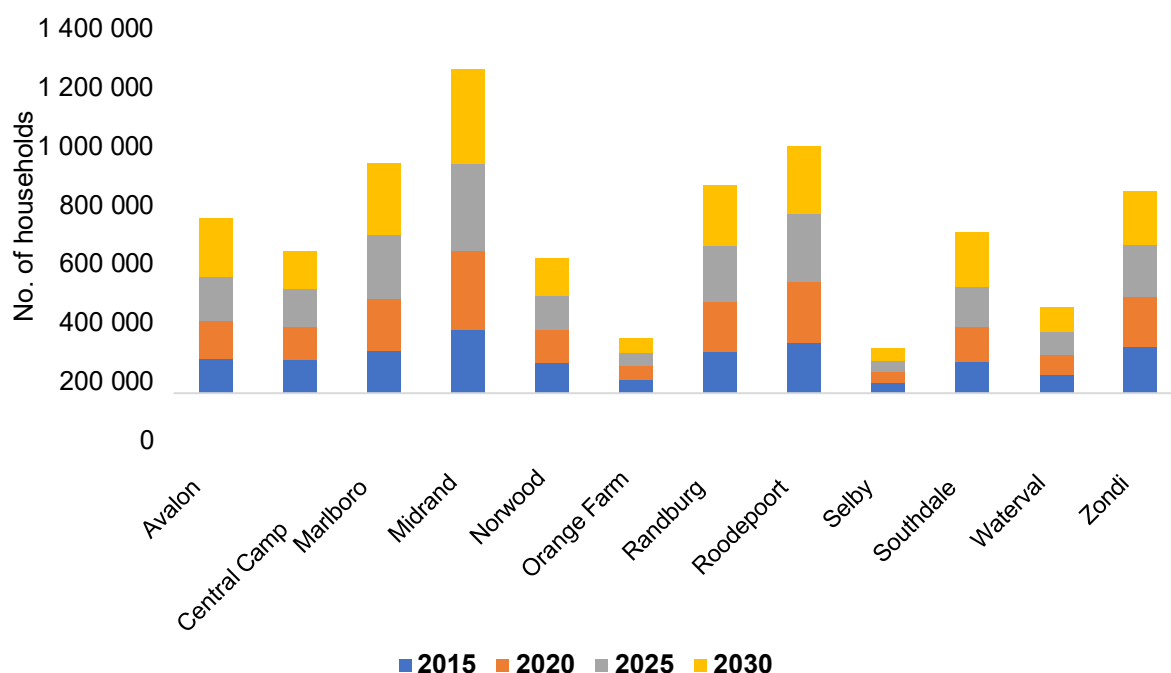
1.2 Growth Projections

A consultant appointed by Pikitup conducted a population projection study using Spot 5 satellite imagery, Eskom Spot Building Counts, and Census 2011 data. Growth scenarios up to 2030 were

developed using detailed local information on economic changes, income groups, housing developments, and urbanisation trends. Projected household growth per depot is shown below.

proposed housing developments, infrastructure developments, urbanization and migration trends. These project household growth per depot reflects below.

Figure 7.1.3: Projected total number of households per depot area



The graph shows a steady projected increase in households per depot area. Across the entire study area, total households are expected to reach 2 295 208 by 2030. The table below provides an overview of projected population growth and estimated waste volumes that Pikitup will need to manage.

Table 7.1.1 Population and Waste Growth Projections

Year	Estimated Population of CoJ (Calculated from Kayamandi 2013)	Estimated Total Waste Managed by Pikitup (Tons/Year)
2015	4 439 970	1 520 190
2020	5 556 455	1 728 000
2030	6 699 354	2 234 000
2040	9 179 746	2 888 000

Given the pace of urbanisation in South Africa, 100% collection coverage is probably unachievable. A 100% target should realistically apply only to households that have been in place for a defined period and have formally notified the municipality of their existence. The CoJ Household Satisfaction Survey 2023/24 recorded that 908 208 households have their refuse collected at least once a week. However, 14% of households experienced backlogs — receiving less than weekly formal collection, resorting to

personal disposal, or having no collection at all. [NOTE: These two figures require reconciliation — see editorial comment.]

Table 7.1.2: Household service backlogs

Service	% Households serviced	% Backlog	Backlog no. of households
Refuse removal at least once a week	86.2%	13.8%	281 900

The section below summarises a detailed assessment that was conducted in each of the key areas that affect service delivery.

7.1.3 Service Delivery Gap Analysis

The table below details gaps and needs associated with waste services.

Table 7.1.3.1: Waste activities gaps and needs

Gaps	Needs
▪ "Pikitup, is a labour-intensive logistics entity, that provides Domestic Refuse Collection and Removal (RCR) services to over 908 208 households weekly. This core function is executed by a workforce of 1,017 employees and incurs a cost of R1.676 million. ▪ Pikitup expenditure budget is under pressure due to rising fleet costs, due to the service's heavy reliance on vehicles, combined with an aging fleet that has exceeded its useful lifespan, therefore driving up costs. ▪ Pikitup, currently services 201 settlements, instead of 311 due to lack of access and budget constraints.	<u>Productivity and efficiency</u> ▪ Increase productivity of staff through performance management. ▪ Re-introduce biometrics systems to manage productivity. ▪ Fleet plan – aligned to the needs, five years FML. ▪ As a new fleet is procured, vehicles to be aligned to the new business model (split compactors, different sizes). ▪ Review standard operating procedures (SOP) aligned to new methodologies. ▪ Conclude essential services Agreement – align structure and supervision in line with requirements of essential service. ▪ Community upliftment programme for SMMEs. ▪ Implemented recommendations from optimisation study, including depot boundary realignment and aligning resources, WbW phased approach. ▪ Recycling street furniture to be rolled out – fleet to match the collection methodologies. ▪ Time and motion studies to improve efficiency. ▪ Service excellence awards. <u>Inner City</u> ▪ Shift system in Inner City – implement in other CBD areas as well to reduce overtime and better use of the fleet. ▪ Refurbish underground bins /introduce recycling bins. ▪ Partnership with CIDs, Inner City Forum ▪ Mechanical sweepers ▪ Reclaimer integration – trash to cash

Fleet

- Discontinue landfill operations of the Pikitup fleet (on average landfill-related fleet costs contribute between 7% and 11% of the overall fleet cost).
- Preventative maintenance and driver training.
- Centralisation of the workshop (reducing logistics/travelling costs) report to be drafted for submission.
- Correct fleet configuration per activity requirement.
- Sweating of currently owned fleet assets.
- Reduction of about 40% of the current fleet assets by implementing two-shift system at each depot.

Gaps	Needs
	Once emergency waste transfer stations have been commissioned at Marie-Louise and Robinson Deep, REL requirements can be re-assessed, and additional RELs acquired by way of an additional full maintenance lease (FML) contract(s) if required.
Illegal dumping poses a significant challenge to Pikitup's operations, despite not being a core activity. Analysis suggests that population growth, coupled with the proliferation of backyard dwellings, informal settlements, hijacked buildings, and subdivisions in affluent suburbs, has led to increased waste volumes, exacerbating the issue.	- Ward plans include adopt-a-spot, once-off clean-ups, and bulky waste collection. - Street prefects to monitor the area. - Partnerships with other departments and entities, such as JMPD, Urban Inspectors, Environmental Health, and ward committees.
- Non-compliance with service delivery agreements between Pikitup and CoJ. - Non-compliance with conditions of Waste Management Licences. Contravention Notices were issued in terms of section 31L of NEMA (Act 107 of 1998). - Failure to comply with a Contravention Notice issued by GDARD. - Continuous failure to report accidents involving Pikitup fleet by both drivers and regional managers which results in the lodging of insurance claims outside the 30-day period. - Increased third-party litigation claims and non-cooperation by drivers after resulting in Pikitup not being able to optimally defend itself. - Over-reliance on outsource services. - Lack of capacity to execute contracts. - Load shedding - Aged staff	- Uninterrupted power supply/generator/solar - Timeous attendance to Re-Compliance Notices - Prioritised allocation of Capex resources towards landfills. - Appointment of GM: Landfill and Waste Minimisation. - Reviewing of policies and SOPs - Creating awareness of customer orientation culture. - Monthly monitoring of Pikitup service delivery standards. - Identifying disruptive events. - Litigation Management SOP/Strategy - Enhanced, Consistent and Continuous enforcement of disciplinary/corrective measures against wayward employees (drivers and general workers). - SHEQ toolbox project - Litigation services - Monitoring and evaluation of business performance.

.1.4 Separation at Source Programme Gap Analysis

Pikitup has set itself the target to reduce waste to landfill sites by 2040, end envisions being a leader in waste minimisation practices and addressing climate change. In order to achieve this target, Pikitup has embarked on extensive efforts aimed at minimising waste and diverting waste away from landfills through recycling initiatives, while simultaneously stimulating employment opportunities and reducing inequality. Waste reduction and job creation are assumed to indicate the effectiveness of a waste

minimisation project in achieving its goal.

To determine the measure of the impact of the operations and projects implemented and the impact made compared to targets, one would base assessments on factors such as:

- (a) Cost of service
- (b) Volume and tonnage diverted from the landfill
- (c) New employment positions created
- (d) Potential for growth
- (e) Compare cost per ton to divert versus the value of airspace
- (f) Whether alternative funding or subsidy sources are available.

The table below details gaps and needs associated with separation at source.

Table 7.1.4.1: Separation at Source gaps and needs

Gaps	Needs
There is little emphasis on backyard composting as a means of reducing the organic waste stream going to landfills. No guidance (or equipment) is made available to homeowners to implement backyard composting programmes.	With organic waste separated at source, backyard composting will significantly reduce the amount of organic waste to be collected and transported to landfills. This will reduce the methane generation rate at landfills.
Recent studies revealed that there is a high proportion of garden (organic) waste generated in medium to high-income areas, with a similar trend in food (organic) waste generated in low-income areas.	Despite the organic waste streams from various income areas being different, the potential impact of all organic waste on the environment remains significant. Appropriate systems are therefore to be developed for effective and environmentally sound management and treatment of organic waste from all income categories.
There are insufficient markets to absorb all the recyclables and compostable materials available for extraction from the CoJ wastestream. This is likely to result in a drop in prices for the commodities, making it even more difficult for such processes to be financially viable.	With appropriate markets created for the offtake, recycling and composting will become financially viable. This will allow for a significant increase in the extent to which such activities are undertaken in the CoJ.
Cognisance is not taken of Maslow's hierarchy of needs when voluntary separation at source programmes are implemented, resulting in low participation rates by some members of the community.	The socio-economic conditions of the affected community should be taken into consideration when decisions are made on the way in which waste separated at source is to be collected for different income groups.
There seems to be little co-ordination/co-operation between Pikitup (as the organic waste 'generator' collecting from CoJ residents) and the private composting operations that need a source of organic material.	Pikitup is to take cognisance of the offtake for recyclable and compostable material in the area, using that as a basis for the development of waste minimisation programmes.
Waste separation at source is legislated through CoJ bylaws, but without appropriate equipment and accessible facilities provided for collection/drop-off/selling of recyclable materials.	The necessary equipment, and accessible facilities, are to be provided for the collection/drop-off/selling of recyclable materials throughout CoJ, in particular in areas where the CoJ bylaws are to be enforced.

Gaps	Needs
Facilities provided for separation at source are not always effectively serviced, with material separated at source for recycling ultimately sent for disposal.	Source separated recyclables and organic materials are to be collected at regular intervals for transport to appropriate processing facilities. Poorly serviced containers will result in waste spillage and windblown litter.
Readily accessible buyback centres are not always positioned based on environmental and socio-economic conditions.	Locations of buyback centres developed to purchase source-separated recyclable material should be selected based on environmental and socio-economic conditions, thereby meeting the needs of the community the facility is expected to serve.
The public is often unaware of methane generated by organic waste and the negative impact of methane on the ozone layer.	Public awareness is to be created around the potential impact of methane generated by organic waste on the environment. Waste is to be effectively separated at source, with composting facilities provided to treat organic waste in an environmentally sound manner.
Waste is not always effectively separated at the source where separate collection programmes are implemented.	Effective awareness creation programmes are to be implemented for waste generators to embrace the concept of source separation.
The communities where separation-at-source programmes are implemented are not always prepared to recycle without a financial incentive. This is prominent in low-income areas.	It is important that the recycling programmes be tailored in accordance with socio-economic conditions where recycling is to be undertaken. Buyback centres should be made accessible where voluntary drop-off facilities cannot be implemented effectively.
The viability of recycling is extensively influenced by fluctuating market prices for various recyclable materials.	Recycling should be implemented to develop buffers against price fluctuations, e.g., by undertaking multi-material recycling that can provide a buffer against market price fluctuations on any one product.

Waste pickers and the informal waste sector

For waste picker integration models to be sustainable, they should form part of the integrated waste value chain. The most important stakeholders in the integration process are individual waste pickers and representatives from waste picker organisations. Other stakeholders involved in the value chain inter alia include national, provincial, and local government, waste management service providers, as well as stakeholders at various levels within the packaging and recycling industries.

The table below details gaps and needs associated with waste pickers and the informal sector.

Table 7.1.4.2: Waste pickers and the informal waste sector gaps and needs

Gaps	Needs
Undocumented waste pickers (often illegal immigrants) lead to overcrowding at landfills.	Waste pickers that are illegal foreigners should be required to register with the Department of Home Affairs and obtain temporary work permits.
Overcrowded landfills and unfair competition for access to materials pose a threat to women and older waste pickers.	The number of waste pickers on all fenced and secured landfills are to be controlled, with women and the elderly given preference at organised sorting facilities.
Gaps	Needs

Informal sorting and storage of recyclables at landfills is interfering with landfill operations.	Waste picking at landfills should be prevented by encouraging source separation of waste. Where still required, waste picking on landfills should be organised.
Exceptionally long distances are travelled by waste pickers pulling trolleys to get to collection areas. Individuals undertake their operations independently, thereby losing the possible advantages of economies of scale.	Co-ordinated programmes are to be developed for the integration of waste pickers into the formal waste sector, thereby providing opportunities for waste pickers to make use of combined infrastructure and services.
Recyclable materials not being separated at source in secured areas is resulting in contamination by food waste and its value is reduced.	Clean, high-value recyclable materials are to be separated at source to generate additional income for waste pickers.

.1.5 Waste Disposal Gap Analysis

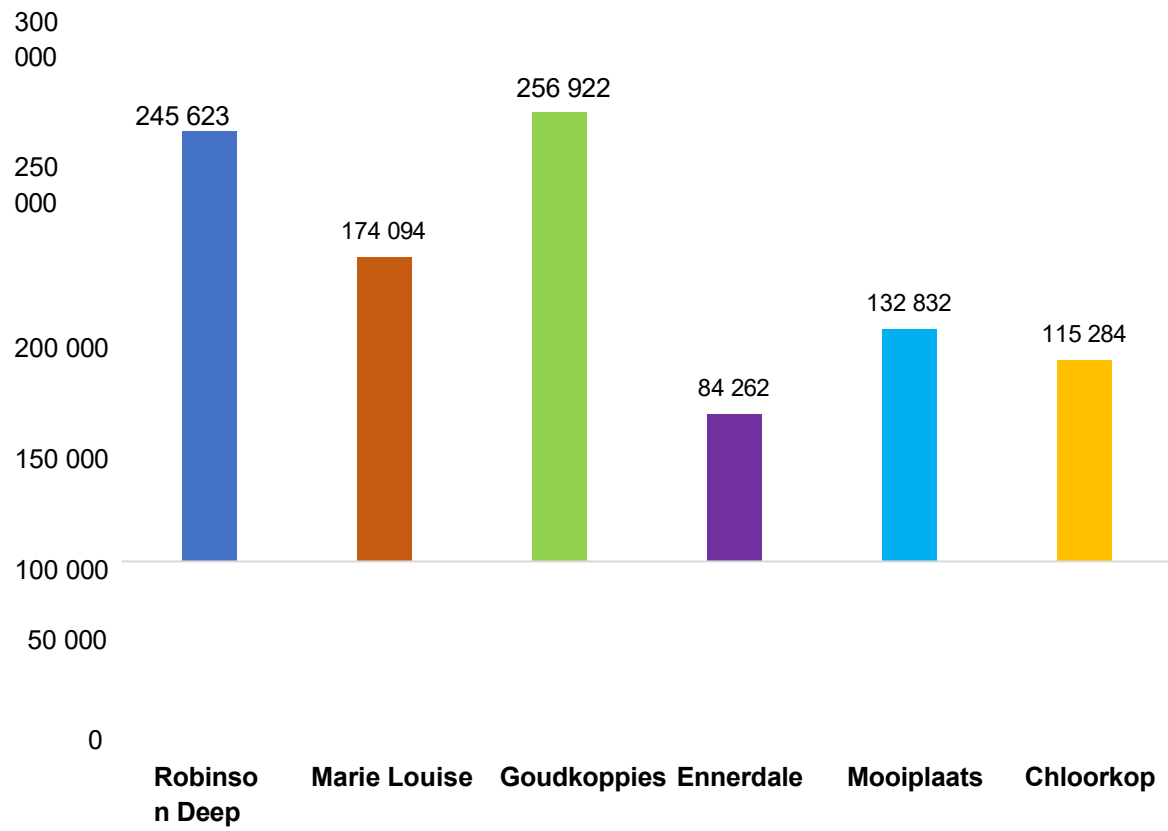
Pikitup's Disposal Division is responsible for managing all landfill operations. Two landfills are currently active, with closed sites in the northern part of the city. All sites are managed in accordance with their Permits or Licences issued under Section 20 of the Environment Conservation Act, 1989 (Act 73 of 1989). Active and closed sites are listed in Table 7.1.5.1 below.

Table 7.1.5.1: Active and closed Landfill Sites

Landfill Site	Region	Status
Robinson Deep	F	Active
Marie Louise	C	Partially closed
Goudkoppies	D	Active
Ennerdale	G	Partially closed
Kya sands	E	Closed
Linbro Park	E	Closed

Pikitup's depots currently dispose of waste at Goudkoppies and Robinson Deep, both in the south of Johannesburg. Additional airspace has been sourced from private landfills at Chloorkop and Mooiplaats. The distribution of waste across disposal sites is shown in the diagram below.

Figure 7.1.5.1 Percentage distribution of waste disposed at per landfill (Figures for Private landfills)



Airspace Availability

Airspace availability refers to the volume of remaining capacity at each site per year, calculated from landfill airspace analysis reports.

A landfill survey conducted in June 2024 produced the airspace data in the table below, reflecting remaining capacity at each site based on current disposal rates and no additional interventions.

Table 7.1.5.1: Available airspace and life span of Pikitup landfills.

Airspace Calculations (m ³)				
Site Name	Ennerdale	Robinson Deep	Marie Louise	Goudkoppies
Total airspace (including cover) as per design (m³)	2 223 209	25 315 809	7 725 182 (change of design of airspace due to area extension)	9 691 222
Consumed airspace (m³) (Actual)	2 151 571	24 896 462	7 560 469	8 881 806
Remaining airspace (m³)	71 638	419 347	164 713	809 416
Lifespan	10 months	1 year and 8 months	4 months	1 years and 5 months
Projected end date	July 2026	May 2026	January 2025	February 2026

Table 7.1.5.1 above sets out the projected lifespan at each landfill. Operating sites to their licensed height — by reengineering slopes to the required 1:3 gradient — will extend available airspace. Diversion initiatives, separation at source, and use of private landfills will also extend site life.

Table 7.1.5.2: Landfill airspace with Interventions

Landfill name	Airspace June 2024	Annual Tonnage	Expected life (Months)
Marie Louise	164 713	334 418	1.5
Robinson Deep	419 347	439 096	20
Ennerdale	71 638	107 278	10
Goudkoppies	809 146	337 178	17

Robinson Deep Landfill Site

The contractor is building the reinforced concrete wall around the newly acquired land earmarked for landfilling. The new cells at Robinson Deep are designed to provide at least 20 additional years of airspace. Cell designs were submitted to GDARD and DWS for approval. GDARD has indicated that a Record of Decision from DWS is required. The following projects are currently underway at the site:

- i. Waste Sorting Facility: *The contractor is on-site and is 97% finished with the project.*
- ii. Biogas: The project is currently in the bid evaluation stage and is being executed by EISD.
- iii. Waste to energy incinerator and D-MFR: the project is at the planning stage

Emmerdale Landfill Site

The application rezoning and subdivision of a new additional site for the extension of the Ennerdale landfill site is in

circulation for comments from other Departments/entities.

Marie Louise Landfill Site

A feasibility study on an adjacent land to determine the viability of the land for landfilling is underway

Compliance Initiatives

Pikitup has launched a compliance programme to bring all landfills into line with their licence conditions. Work includes the construction of concrete boundary walls, rehabilitation of leachate ponds, construction of sorting facilities, refurbishment of weighbridge systems, road upgrades, and stormwater management.

Table 7.1.5.3: Waste disposal gaps and needs

Gaps	Needs
The critical overall shortage of airspace at the four operational Pikitup landfills. (At a disposal rate of 1.5Mt per annum, all available airspace will be consumed in approximately two years.	Short to medium-term: Waste transfer stations (WTS) will be constructed at Marie Louise and Robinson Deep; from these facilities, waste needs to be hauled to private (legally compliant) landfills for final disposal. Long term: A new Pikitup landfill(s) needs to be developed to cater for all or most of the waste generated in the CoJ; the design life of new landfill(s) to be a minimum of 30 years. WTS are to be constructed at Goudkoppies and possibly at two or more additional sites within the CoJ.
Waste-disposal tariffs are not fully cost-reflective.	Tariffs should be set at levels that will recover all direct and indirect (overhead) costs associated with the operation of the Pikitup landfills and the costs associated with the disposal of Pikitup-hauled waste at private landfills. Tariffs should also take cognisance of the development cost of airspace and of the end-of-life costs associated with capping and rehabilitation of the landfill.

8.1.1 Operational Financial Analysis

The section below highlights a high-level financial analysis of the key activities of the entity.

(a) Street Cleaning

- Pikitup is a labour-intensive and logistic entity where the budget mainly consists of staff and fleet costs.
- The budget for staff, fleet and non-cash/other items is 85% of the total budget.
- Street cleaning is a labour-intensive activity with 35% (1 541 street cleaners) of the workforce being allocated to this service, which amounts to a budget of R626m for salaries and allowances.
- The utilization of the cooperative model to use EPWP workers is an important project to keep the City clean however limited budget of R30m exists for this project.

(b) Domestic Refuse Collection Rounds

- Domestic refuse round collection involves the collection of general waste from more than 968 448 households every week by a workforce of 837 staff, and this is a core function of Pikitup with a budget of R1 832m before overheads.
- The increase in the expenditure budget is mainly related to fleet costs.
- The activity has a high reliance on vehicles, and with the current fleet that has passed its useful lifespan, the costs to maintain the CoJ fleet are on the increase.

(c) Fleet

- During the last three financial years the City has not completed a tender process to procure specialised vehicles for Pikitup in the following categories:
 - ❖ three-year full maintenance lease (FML)
 - ❖ three-year outright purchase of specialised vehicles
- Pikitup through its own supply chain management (SCM) process, produced vehicles hired from suppliers on an ad hoc basis. This contract commenced on 1 December 2025 at market-related rates which is more favourable compared to the previous augmented services contract.
- Vehicles are hired at an hourly rate, which allows flexibility to reduce costs by hiring vehicles in certain instances for less than eight hours.
- While the City has committed to do an outright purchase of 22 compactors in the 2023/24 financial year and an estimated 30 compactors during the 2024/25 financial year with Capital budget in the books of the City under the category of specialised waste management vehicles, 12 compactor trucks were delivered in 2025/26 financial year.

(d) Illegal Dumping

- Illegal dumping poses a significant challenge to Pikitup's operations, despite not being a core activity. The analysis points to the growth in population resulting in backyard dwellings, informal settlements, hijacked buildings and subdivisions in the affluent suburbs contributing to increased waste volumes. Waste is then disposed of illegally by mainly business operators in the City.
- One of the methods to reduce costs for this activity is through bylaw enforcement, consistent environmental education and separation of waste in households over an extended period to change the behaviour of the community. Partnerships with the Johannesburg Metropolitan Police Department (JMPD), South African Police Service (SAPS) and Johannesburg City Parks & Zoo (JCPZ) are in process and ongoing.
- A total budget of R137m (direct costs) was set aside to sustain this operation, however, additional funding is required for re-engineering the business model to respond to the challenges and the changing needs.
 - (a) 60 security officers were trained in Waste-By-Laws training and the JMPD in the new financial year will train Peace Officers to fight illegal dumping across the City.
 - (b) 14 Double cab bakkies has been deployed to assist in fight against illegal dumping in the city.

8.2 Bylaw Enforcement and Operational Support

Sixty security officers were trained in Waste By-Laws enforcement. In the new financial year, the JMPD will additionally train Peace Officers to combat illegal dumping across the City.

Fourteen double-cab bakkies have been deployed to support the fight against illegal dumping citywide.

(a) Waste Minimisation

- Pikitup provides separation-at-source services in some areas within the City because of the limited budget available for this service.
- A budget of R94m exists to roll out separation at source city-wide which requires the introduction of an additional collection round or appointment of contractors. The participation rate of the community is low, and more marketing is required.
- The formalisation of waste pickers within the co-operative model is the focus going forward; however, the budget for the co-operative in the 2026/27 financial year is limited.
- The diversion of green waste and builders' rubble from landfills will assist in optimising landfill airspace. During the rebased budget a R0m budget utilizing external service providers was also carried forward to the 2026/27 financial year.
- Shredders and chippers are required at drop-off centres for green waste and plants to crush the

builders' rubble for waste diversion.

- Many of the garden sites are currently being upgraded to integrated waste management facilities, making provision to also receive recyclables.

(b) Commercial Services

- Budgeted for commercial services amounts to R316m Vehicle reliability to provide an effective service service to customers. The reduction in economic activity crisis in the country is hampering the growth of the business.
- Based on the budget, commercial services are profitable, however, there is a reduction in profitability due to the slowdown in economic activity within the City.
- A Capex budget of R1 m has been allocated to acquire bulk containers in the 2026/27 financial year.
- Staff vacancies at the managerial level within the Commercial Services Department exist. These critical vacancies will be filled to ensure growth and strategic direction within the department.

(c) Disposal of Waste

- The depletion of landfill airspace is a major risk facing the organisation. Marie-Louise Landfill will reach capacity in the near term, and Robinson Deep Landfill will reach capacity within the next few years, which will result in increased transportation costs and growing reliance on privately owned landfill sites.
- The limited airspace will create a waste disposal crisis for the City. In the short to medium term, landfill airspace remains essential for waste disposal continuity.
- The use of privately owned landfills carries a premium cost, and this financial burden will escalate as the City becomes increasingly dependent on external disposal facilities.
- New landfill cells at Ennerdale, Marie-Louise, and Robinson Deep landfill sites are earmarked for future development to create additional airspace:
 - Robinson Deep Landfill Site: Cell Development Design was approved on 30 October 2025; contractor appointment is scheduled for March 2026; construction will span 12 months; new cell commissioning is targeted for April 2027.
 - Ennerdale and Marie-Louise: Estimated commissioning is July 2028. The feasibility of continued landfilling at both sites has not yet been confirmed.
- The City, through EISD, is investigating options to construct a Waste to Energy plant via a public-private partnership (PPP). Budget provision by the City will be required to ensure sufficient funds for gate fees at the plant. Construction of an incinerator plant can take up to five years. An Alternative Waste Treatment Technology (AWTT) facility could process a significant volume of waste per annum; however, Pikitup's current annual disposal volumes substantially exceed this capacity.
- Landfill non-compliance as raised by GDARD must also be addressed, primarily through the capital expenditure budget. This includes upgrading of water treatment ponds, boundary walls, and recycling facilities, among other infrastructure improvements.
- The operating budget for the four active landfills amounts to R362m and a capital budget for infrastructure improvements of R139m.

(d) Other Key Items Essential for Effective Service Delivery

The following items are integral to sustaining Pikitup's operational performance:

- Bin liners
- 240ℓ bins
- Staff uniforms
- Disposal fees for private landfills
- Security fees
- Rental of the Head Office building and ICT network
- Water, electricity, and sanitary fees

- Environmental education

8.2 Climate Change Strategy & Action Plan 2026–2031

This Climate Change Strategy sets out how Pikitup will embed climate action into its core operations from 2026 to 2031, aligned with national frameworks including the National Climate Change Response Policy, the Nationally Determined Contribution, and the City's Climate Action Plan.

The waste management sector contributes approximately 5–8% of South Africa's total greenhouse gas emissions, primarily through landfill methane and nitrous oxide from decomposing organic waste. Pikitup's landfill operations, MRFs, and recycling networks represent both a significant source of emissions and a substantial opportunity for reduction and circular economy development.

The strategy is built around five pillars: Landfill Gas Capture and Energy Recovery; Waste Minimisation and Extended Producer Responsibility; Adaptation and Climate Resilience; Skills Development and Just Transition; and Monitoring, Reporting and Governance. Each pillar includes investment commitments, risk assessments, and stakeholder engagement pathways designed to be feasible within Pikitup's financial and governance constraints.

7.2.1 City of Johannesburg Climate Action Plan

The City of Johannesburg's Climate Action Plan 2021–2040 identifies waste minimisation and landfill gas management as priority interventions. The PJWG Workstream 4 on Clean and Safe Public Spaces has further entrenched waste infrastructure and environmental quality as operational priorities for the City. Pikitup's climate strategy will deliver on these commitments through measurable waste diversion targets, landfill gas recovery infrastructure, and circular economy partnerships.

7.2.1.2. Pikitup Baseline: Emissions Profile & Operational Context

7.2.1.2.1 Waste Volumes & Composition

Pikitup manages approximately 1.9 million tonnes of solid waste annually across the City of Johannesburg, comprising:

Waste Stream	Approximate %
General waste/mixed	60–70%
Organic (garden, food)	10–15%
Recyclables (paper, plastic, metal, glass)	10–15%
Construction & demolition	5–10%
TOTAL	100%

Pikitup's organic waste stream — estimated at 20–25% of total intake — represents the largest single mitigation opportunity. Organic waste decomposing in anaerobic landfill conditions generates methane with a global warming potential 28–34 times greater than CO₂ over a 100-year horizon.

7.2.1.2.2 Landfill Infrastructure & Capacity

Pikitup operates landfill sites (licensed by GDENV & others):

- Marie Louise and Ennerdale Landfill: licensed capacity approaching saturation. Limited potential for gas recovery infrastructure without decommissioning implications.
- Goudkoppies and Robinson Deep: limited operational capacity remaining. Potential for post-closure methane management.

Landfill capacity constraints are a critical governance challenge for Pikitup. At the current diversion rate of 27%, the rate of landfill saturation will drive growing demand for alternative waste processing infrastructure and waste-to-energy solutions.

7.2.1.2.3 Current Emissions Profile (Estimated)

Based on IPCC methodologies and South African waste sector benchmarks, Pikitup's annual emissions are estimated at:

- Landfill methane (Scope 1 & 3): ~450–550 ktCO₂e/year (depending on decomposability decay constants and gas recovery rates)
- Operational emissions (fuel, electricity): ~45–60 ktCO₂e/year
- Total: ~500–610 ktCO₂e/year. Note: Formal baseline assessment is recommended as part of ISO 14064-compliant GHG inventory.

The emissions mitigation potential is substantial: diverting 30% of organic waste from landfills through composting or anaerobic digestion could reduce annual emissions by 100–150 ktCO₂e. Capturing and flaring methane from existing landfills could deliver a further reduction of 40–60 ktCO₂e.

Strategic Pillars & Objectives

This strategy is organised around five integrated pillars, each with measurable outcomes, resource requirements, and governance responsibilities.

Pillar 1: Landfill Gas Capture & Energy Recovery

Objective:

Implement methane capture and productive utilisation (power generation, heat, compressed biomethane) at Pikitup landfill sites, reducing fugitive emissions and generating revenue.

Rationale:

Landfill methane represents the single largest emissions source from Pikitup's operations. Landfill gas (LFG) capture yields 70–85% methane reductions when coupled with flaring or combustion; energy recovery (power generation) delivers additional climate benefits and new revenue streams.

Key Interventions:

Expand composting infrastructure: Upgrade & operationalise the City's former composting facility into a sorting and processing facility (target: 50,000 tonnes/year organic waste processing by 2028 depending on the availability of resources). Establish community-based sorting and processing composting hubs in high-density wards (Ward 62, Ward 111, etc.). Investment: ~R 40–60M.

Scaling Materials Recovery Facilities (MRFs): Establish and construct MRF's in earmarked landfill sites and identified parcels of land. Increase recovery capacity from current ~80 ktpa to 150 ktpa by 2029 through technology upgrades. Alignment with PJWG WS4 priorities. Investment: ~R 60–80M.

Operationalise EPR schemes: Partner with PROs where possible. Align with national EPR regulations (implementation timeline: 2026–2027). Revenue sharing: 5–15% of recovered material value to Pikitup/CoJ.

Awareness & behaviour change campaigns: Deploy city-wide environmental educators on waste management and diversion ("Source Separation" and "Reduce, Reuse, Recycle") campaigns targeting various institutions households, businesses, and institutions. Budget: R 8–12M/year.

Pillar 2: Waste Minimisation & Extended Producer Responsibility

Objective:

Expand waste diversion from landfills through source reduction, recycling, composting, and formalised EPR schemes, targeting 25% waste diversion by 2030.

Rationale:

Organic waste (20–25% of Pikitup's intake) and recyclables (10–15%) represent 30–40% of the waste stream; diversion prevents methane generation and recovers embedded value. EPR schemes shift responsibility upstream to producers, creating circular economy incentives.

Key Interventions:

Expand composting infrastructure: Upgrade & operationalise the City's composting facility (target: 50,000 tonnes/year organic waste processing by 2028). Establish community-based composting hubs in high-density wards (Ward 62, Ward 111, etc.). Investment: ~R 40–60M.

Scaling Materials Recovery Facilities (MRFs): Increase recovery capacity from current ~80 ktpa to 150 ktpa by 2029 through technology upgrades and formalised waste picker integration. Alignment with PJWG WS4 priorities. Investment: ~R 60–80M.

Operationalise EPR schemes: Partner with PROs (Producer Responsibility Organisations) for plastics, paper, e-waste, and packaging. Align with national EPR regulations (implementation timeline: 2026–2027). Revenue sharing: 5–15% of recovered material value to Pikitup/CoJ.

Awareness & behaviour change campaigns: Deploy city-wide "Source Separation" and "Reduce, Reuse, Recycle" campaigns targeting households, businesses, and institutions. Budget: R 8–12M/year.

Pillar 3: Adaptation & Climate Resilience

Objective:

Build adaptive capacity of Pikitup infrastructure and operations to withstand climate hazards (flooding, extreme heat, drought, water scarcity).

Rationale:

South Africa is a water-scarce, climate-vulnerable nation. Johannesburg faces increasing water stress, heatwave risks, and flooding in vulnerable areas. Landfill leachate management, waste collection operations in extreme heat, and recycling facility operations are all climate sensitive.

Key Interventions:

Climate risk assessment for key facilities: Conduct detailed climate hazard mapping (flooding, heat stress, water availability) for landfill sites and MRFs. Identify adaptation needs (e.g., improved drainage, heat-resistant covers, water recycling systems). Timeline: 2026–2027.

Landfill leachate management & water conservation: Upgrade leachate treatment to recycle water for dust suppression and facility cleaning. Install rainwater harvesting systems. Target: reduce potable water consumption by 40% by 2030. Investment: R 25–35M.

Operational resilience: Strengthen fleet maintenance & heat-stress protocols for waste collectors and drivers. Deploy vehicle cooling systems and adjust collection hours in extreme heat events. Training budget: R 2–3M/year.

Landfill site rehabilitation planning: Integrate climate projections into post-closure land use planning (e.g., avoid water-intensive uses in water-scarce areas; promote green spaces for urban cooling).

Pillar 4: Skills Development & Just Transition

Objective:

Upskill Pikitup workforce and waste-sector communities to transition into climate-resilient jobs (renewable energy, waste sorting, environmental monitoring).

Rationale:

A just transition—ensuring that workers and communities are not adversely affected by climate action—is a cornerstone of South Africa's climate commitments. Pikitup employs ~4,500 staff; formalisation of waste pickers (estimated 5,000–10,000 nationally) requires training pathways.

Key Interventions:

LFG & renewable energy technical training: Partner with TVET colleges and universities to develop apprenticeships in methane extraction, equipment operation, and energy systems. Target: 50 skilled technicians by 2028. Investment: R 5–8M.

Waste picker formalisation & cooperativisation: Establish cooperative structures for waste pickers, linked to Pikitup MRF operations and recycling supply chains. Provide business skills training, safety certification, and formality pathways. Budget: R 10–15M.

Staff resilience & health: Expand occupational health programmes (heat stress, respiratory health, safety in extreme events). Provide mental health support and community engagement training. Budget: R 3–5M/year.

Youth climate action networks: Establish youth councils in Pikitup MRFs and composting hubs to drive innovation and community advocacy around waste reduction. Stipend: R 1–2M/year.

Pillar 5: Monitoring, Reporting & Governance

Objective:

Establish robust GHG monitoring, climate governance, and accountability mechanisms aligned with MFMA, SDBIP, and international reporting standards.

Rationale:

Credible monitoring and transparent reporting are essential for securing climate finance, demonstrating progress against NDC commitments, and maintaining stakeholder confidence.

Key Interventions:

Develop ISO 14064-1 GHG inventory baseline: Commission third-party verification of Scope 1, 2, and 3 emissions (2024–2025 baseline). Scope: landfill operations, fleet, facilities, supply chain. Timeline: Q2 2026. Cost: R 400–600k.

Establish emissions reduction targets: Science-based targets (SBTi) aligned with Paris Agreement 1.5°C pathway: 50% absolute emissions reduction by 2030, net-zero by 2050. Annual tracking against SDBIP performance indicators.

Create Climate Governance structure: (a) Board-level Climate & Sustainability Committee (quarterly oversight); (b) Executive Climate Taskforce (monthly implementation review); (c) Departmental climate action champions (operational accountability). Roles & responsibilities documented in updated governance charter.

Integrated reporting: Embed climate performance metrics into annual Integrated Reports, Sustainability Reports, and PJWG/CoJ submissions. Adopt TCFD framework for climate risk disclosure.

KPIs are aligned with SDBIP, CoJ Climate Action Plan, and PJWG WS4 objectives.

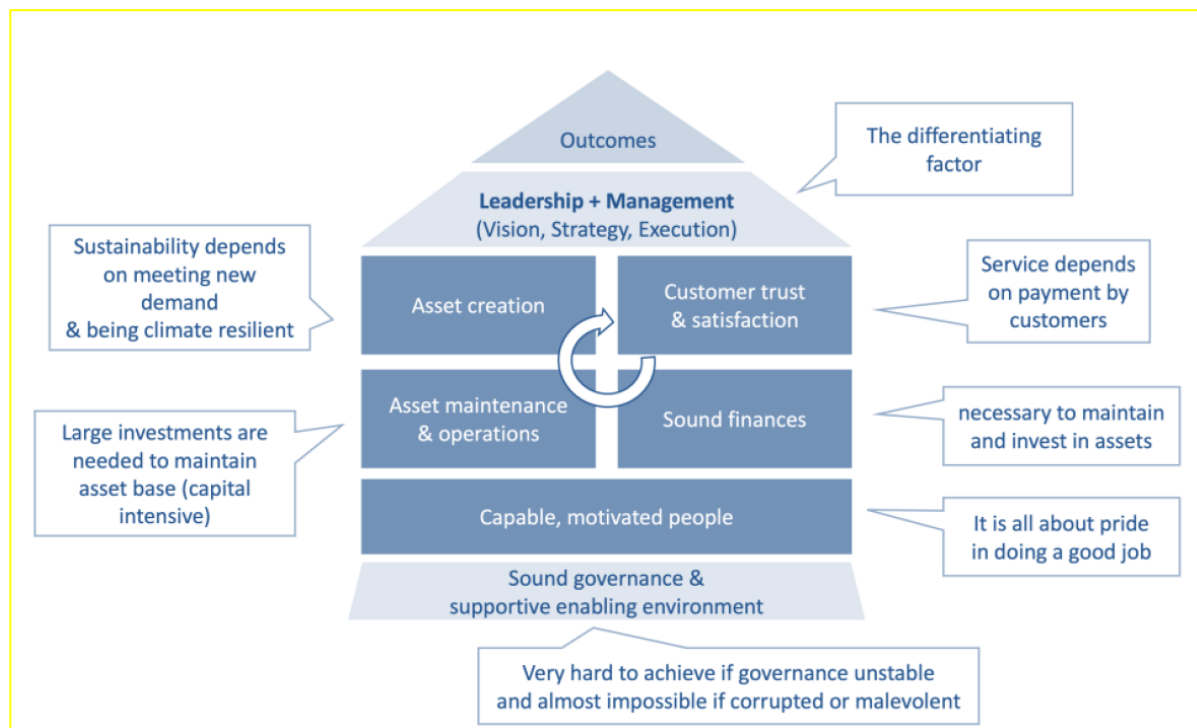
8.1 Climate Mitigation KPIs

KPI	2030 Target	2026 Baseline	Data Source
Total GHG emissions (ktCO ₂ e/year)	300–350 (50% reduction)	~600	ISO 14064 GHG inventory
Landfill methane captured & flared (%)	60–75	0	LFG pilot monitoring
Waste diversion rate (%)	50	27	Pikitup waste tracking system
Organic waste diverted (ktpa)	150–180	~50	Composting facility records

8.1.2 Successful Trading Service Framework – Pikitup Turnaround plan

From 2025/26, Pikitup has been implementing the 7-Box Model as a framework for restructuring its governance,

financial management, and operations. The model signals Pikitup's commitment to running solid waste management as a professionally managed, financially viable entity — not simply a public function.



The model provides a blueprint for transforming Pikitup into a soundly governed, independent utility company capable of meeting Johannesburg's growing waste management demands while maintaining consistent service quality and customer satisfaction.

Using the strategic and operational guidance embedded in the 7-Box Model, Pikitup is working to work through the complexity of the solid waste sector, overcome current constraints, and emerge as a more efficient, sustainable, and customer-focused entity.

This turnaround represents the start of a structured journey towards operational performance and financial stability — and with it, Pikitup's ability to play a meaningful role in Johannesburg's economic growth and environmental sustainability.

8.1.3 Application of the 7-box model

Table 1: Application of 7-Box Model

Application of the 7-Box Model				
Application of the 7-Box Model	Outcome	Program	Estimated Budget	Timelines
	Leadership and Management	- Leadership and Development Programs - Change Management	R15m	Ongoing
	Asset Creation	- Infrastructure Refurbishment Backlog. - New Infrastructure. - IWM New Technologies - Fleet Procurement	R5.5bn	2025/26-2029/30
	Asset Maintenance and Operations	- Landfill Sites and IWM Facilities Compliance - Maintenance of Fleet and Plant & and Equipment - Security of Facilities - Automation of Business Processes - Installation of ICT Systems	R2,5bn	2025/26-2029/30
	Sound Finances	- Improving Billing and Revenue Collection - Bad Debt Control - Tariff Structure Review - Investment Mix (Grants, etc)	R20m	2025/26-2029/30
	Customer Trust and Satisfaction	- Enhancing Revenue through Commercial Services. - Delivery of a Reliable Service using Area area-based approach - Customer Interface Operations- Digital CRM - Education and Awareness	R300m	2024/25-2028/29
	Capable Motivated People	- Organizational Culture - Training and Development - Roll out of Human Development Plan	R25m	Ongoing
	Sound Governance and a supporting enabling environment	- New shareholders compact - Internal Controls - Technology and Digital Transformation	R30m	Ongoing

8.1.4 Strategy Implementation FOCUS (2-5 yrs)

8.1.4.1 Five Strategic Shifts

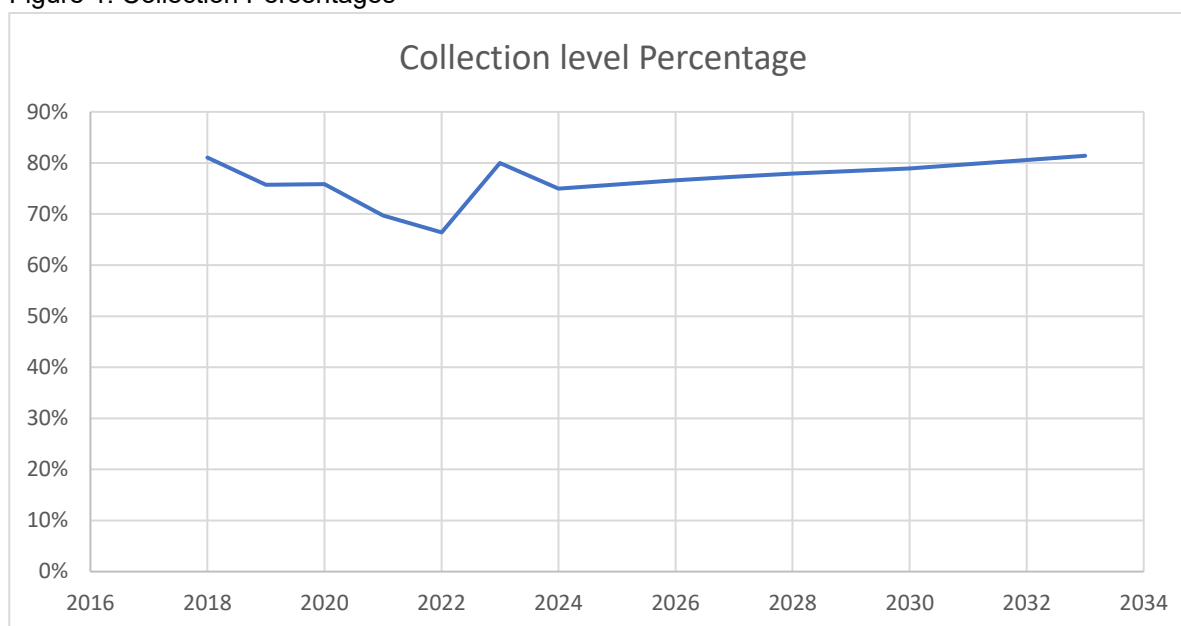
The city's declining waste management performance makes a robust turnaround strategy necessary. The strategy sets out five strategic shifts that must be pursued with commitment and discipline to restore and improve operations.

8.1.4.1 Realign the customer and revenue value chain and increase cash collections.

Falling cash revenue is Pikitup's most pressing challenge. Improved billing and collections are central to any credible turnaround. Figure 4 shows collection rate trends over the past decade and projections for the next. Collection rates currently stand at 75%, down from higher levels in prior years. The centralisation of the billing function has blurred accountability between Pikitup and the City, creating operational and customer-related complications. Given the sustained decline in collections, Pikitup must take greater control of its debtors' book.

Cash collection performance

Figure 1: Collection Percentages



The split accountability for the revenue value chain is directly undermining performance. Pikitup has demonstrated in the past that it can manage customer relationships and the full revenue cycle effectively. The clearest path to improving revenue, billing, and collection performance is to give Pikitup fuller responsibility for this chain. The remaining split accountability with the CoJ also needs to be resolved to improve payment rates and customer performance.

Pikitup will be given full accountability for revenue billing for all of its customers and will manage the full customer and revenue value chain for a portion of its customers.

- **Goal #1A:** Pikitup has full accountability for revenue billing for all its customers by 31 December 2026.
- **Goal #1B:** Pikitup has full responsibility for the customer and revenue value chain for 30% of its customers, accounting for 50% of its revenue by 31 December 2026, including all industrial and commercial customers, with further tranches as performance targets are achieved.
- **Goal #1C:** Pikitup achieves 95% cash collection for the customers for which it has full management responsibility by 30 June 2027. This must be coupled with a systematic communications drive to strengthen trust and confidence.
- **Goal #1D:** Increase cash collection to 80% in FY 2024/25, 85% in 2025/26, 90% in 2026/27, and to 95% by 2027/28 for all Pikitup customers.

Restructure the financial relationship with the CoJ for mutual success.

A financially viable solid waste service is not optional — it is essential for a functioning city. The CoJ's poor financial performance is dragging Pikitup down. But the CoJ itself depends on a financially sustainable waste service over the medium and long term. Short-term pressures are jeopardising those longer-term interests. Pikitup must be given the conditions to succeed, because a well-run Pikitup supports a well-run city. Pikitup can only succeed if the financial relationship with the CoJ is restructured as follows:

Pikitup must receive a fair share of the equitable share to fund services to informal settlements and the unfunded mandates placed on it by the CoJ. This mandate should be limited to qualifying poor households based on clear criteria. Pikitup should also receive a proportionate share of the national capital grants passed through the CoJ.

Pikitup should be permitted to operate with a surplus that can fund its capital budget and provide a return on assets to the CoJ. Capital allocation should be based on Pikitup's financial performance and a fair grant share — not on citywide budget competition.

The financial relationship between Pikitup and the CoJ must be explicitly defined and transparent, with clear performance targets and quantified financial flows.

Clear targets set and financial flows quantified.

- **Goal #2A:** A fair and quantified allocation of the equitable share that is directly related to the CoJ's mandate and requirement to provide waste management service to qualifying households, including households living in informal settlements, is agreed between Pikitup and CoJ for 2024/25 and beyond.
- **Goal #2B:** A multi-year financial agreement is reached by 30 June 2025 that governs the financial relationship between the CoJ and Pikitup and that includes quantified financial flows and performance targets as follows:
 - (b) The operating and capital grant transfers in Goal #2A;
 - (c) A capital investment programme and sources of funding to support Goal #5 (including the ability of Pikitup to borrow per Goal #2C);
 - (d) Cash collection targets stated in Goal #1;
 - (e) Other financial performance targets; and,
 - (f) An appropriate financial contribution to the CoJ in the form of dividends based on financial performance.
- **Goal #2C:** Pikitup can increase its investment programme by its financial capacity and cash flows, while borrowing through CoJ Treasury using structured and project-related borrowing, based on its cash flows, in support of its capital investment programme as established in the multi-year financial agreement.

Unstable governance is one of the most damaging constraints on Pikitup's performance. It must be addressed directly.

Pikitup must be managed the way it was designed to be — as a company with skilled, experienced, and independent directors meeting their legal and fiduciary duties, and a management team that is fully accountable for results. Management needs genuine autonomy to run waste services as a business within the CoJ's policy frameworks, a Board-approved strategy, and agreed financial parameters.

Goal #3: The governance of Pikitup is reset through a new shareholder compact, signed between the CoJ and Pikitup, with a no-objection from National Treasury (as a principal financier), that protects and promotes sound governance in the following ways:

- (a) Includes corporate governance protocols that will ensure the appointment of a suitably skilled, experienced, and independent board.
- (b) Ensure stable governance through staggered rotation of board members of no more than a third of the board members every three years.
- (c) Adheres to the King IV principles and code for good governance.
- (d) Ensures management autonomy with accountability and includes other governance protection mechanisms necessary for Pikitup to attain and retain creditworthiness, to the satisfaction of National Treasury and other financiers.

Ramp up investment in both asset renewal and expansion.

- (a) Sustained capital investment in asset renewal and expansion is not optional — it is a prerequisite for sustaining waste management in Johannesburg.

Better financial performance, driven by improved cash collections and a restructured financial relationship with the CoJ, will enable Pikitup to significantly increase its capital expenditure on infrastructure and ensure that expenditure is used effectively.

This Strategy sets a three-year goal for Pikitup to increase annual capital investments from less than R300 million to over R500 million per year.

- Alternative funding.

Existing funding models will not close the infrastructure backlog. Pikitup is actively exploring alternatives including performance-based contracts and public-private partnerships.

- (b) Performance-based contracts/ Public Private Partnerships (PPPs)
- (c) EISD, in collaboration with Pikitup, is currently investigating the possibility of utilising Performance-Based Contracts to implement some of the projects (especially the alternative waste energy plant).

Goal #4: Increase annual capital investment from R92 million in 2023/24 to R254 million in 2024/25, R500 million in 2025/26, and 1 billion in 2026/27, with further increases after that

Establish capability for effective implementation.

The first four strategic shifts address structural constraints to performance. Once implemented, they provide a sound foundation. But a successful turnaround will also depend on how well implementation is executed.

- An effective turnaround will require Pikitup to do the following:
 - 1 Manage the full customer and revenue value chain for a substantial portion of its customers. Currently, it does not have the full capability to undertake this function.
 - 2 Significantly improve cash collection efficiency by meeting industry benchmarks that it has achieved in the past. Increasing cash collections has the potential to bring in additional cash revenue. To achieve this, all of its processes will need to be optimized.
 - 3 Reduce non-billable services. This will require changes in approach and more effective implementation, with increased spending and capabilities.
 - 4 Implement an expanded capital investment programme in the Landfills effectively and efficiently. The strengthening of the capital spend means attention will need to be paid to project preparation and project management capabilities.
 - 5 Operate and maintain its fleet to the required standards. The long decline in standards means that new capabilities will need to be developed, and existing operating protocols will be improved.
 - 6 All the above means that Pikitup will need to improve its staff capabilities and productivity across all its services and functions.
 - 7 The weak economy and challenging external environment, with increased levels of theft and vandalism, make this a daunting task. Pikitup, together with the CoJ, will therefore need to ensure that it has the management and technical capability necessary for effective implementation Goal.

8.1.4.1 Commercial Services

Strategic Rationale

The Commercial Services Model aims to:

- Diversify revenue sources beyond municipal allocations.
- Offer competitive waste management services to commercial, industrial, and private clients.
- Promote circular economy and sustainable waste treatment through service innovation.
- Professionalize and corporatize waste services to drive operational excellence.

Core Commercial Offerings

Table 2: Pikitup Commercial Offering

Pikitup Commercial Offering			
Pikitup Commercial Offering	Service Category	Description	Target Market
	Business Waste Collection	Tailored waste collection for SMEs, malls, office parks, and private institutions	Commercial & Retail
	Bulk Waste Services	Scheduled or on-call bulk waste removal (e.g., construction rubble, garden refuse, e-waste)	Builders, Developers, Estates
	Recyclables Buy-Back & Management	Sorting and resale of high-value recyclables (paper, plastic, metal, e-waste)	Commercial, PROs, Waste Traders
	Landfill Use and Disposal Fees	Controlled waste disposal for private and public sector waste transporters and builders	Independent Operators
	Waste Audits & Advisory	Waste assessments, environmental compliance support.	Corporations, Green Buildings
	Composting & Organic Waste Management	Processing food/garden waste into compost for sale	Restaurants, Markets
	Public Space Cleaning Contracts	Paid street sweeping, cleaning of precincts, and private events	Malls, Private Events
	Solid Waste Management Services	Offering: Refuse Removal, Management of Landfill sites, Waste minimization programs, etc	Local Municipalities in Gauteng Province

Revenue Model

Various models to be used together:

Subscription-Based Contracts (monthly, quarterly service level agreements)

Pay-As-You-Dump (volume/tonnage-based charges at landfill/garden sites)

Value-Added Resale (processed recyclables, compost, and by-products)

Public-Private Partnerships (service concessions, franchising)

Enablers and Requirements

Table 3: Pikitup Enablers and Requirements

ENABLERS AND REQUIREMENTS	
AREA	ENABLER
Fleet	Dedicated commercial fleet separate from municipal services
Billing System	Automated CRM & billing platform linked to GPS routing
Branding	Strong commercial brand identity and customer service
Pricing Strategy	Market-aligned rates with benchmarking to private waste firms
Regulatory Compliance	Contracts, licenses, and risk management procedures are in place.
Sales & Marketing	Dedicated team with KPIs on client acquisition & retention
Customer Relationship Management	24/7 call centre, mobile app for requests, feedback loops

Institutional Model

Establish a Pikitup Commercial Services Business Unit

Capacitate the Business Unit

Implement a performance-based structure with defined targets (e.g., % revenue contribution to total budget)

Table 4: Pikitup Performance Target

Performance Target (1-3 yrs)				
Performance Target (1-3 yrs)	Metric	Year 1	Year 2	Year 3
	Revenue Contribution to Total Budget	5%	10%	15%
	Clients Onboarded	100	300	500
	Sound Finances	Turning around Billing and Revenue Collection Bad Debt Control Tariff Structure Review Investment Mix (Grants, etc.)		2025/26-2029/30
	Waste Processed Commercially (tons)	2,000	5,000	10,000
	Net Surplus	R3 million	R10 million	R25 million

Risk Mitigation

Table 5: Risk Mitigation

RISK MITIGATION	
Risk	Mitigation
Competition from private firms	Competitive pricing, superior service, and municipal backing
Non-payment by clients	Credit vetting, prepaid models, and enforcement
Resource capacity	Dedicated team, performance management, training

8.1.4.1 Other Focus Areas

Infrastructure Development & Modernisation

Timeframe: 2025–2029

Construction of new cells at Robinson Deep and Ennerdale landfills.

Upgrade of 6 Garden Sites into Integrated Waste Management Facilities (IWMFs) with recycling, green waste, and rubble processing.

Development of Material Recovery Facilities (MRFs) at Robinson Deep, Marie Louise, and Linbro Park.

Leachate dams, water holding ponds, weighbridges, CCTV, access control, and signage upgrades at key sites.

Rehabilitation and repurpose of closed or closing landfills for green energy or community uses.

Circular Economy and Waste Diversion

Timeframe: Immediate to 2030

- Expansion of Separation at Source to all regions, focusing on formal and informal households.
- Integration of waste pickers, cooperatives, PROs (Producer Responsibility Organisations), and recyclers.
- Rollout of organic waste composting and builder's rubble recovery solutions.
- Introduce buy-back centers and promote producer take-back schemes.
- Support the establishment of waste-to-energy pilots at landfill-adjacent sites.

Fleet Acquisition and Logistics Optimisation

Timeframe: 2024–2027

- Implementation of a Fleet Turnaround Strategy: Mix of Own Fleet (60%), Full Maintenance Lease (30%), and Ad-hoc Contracts (10%).
- Procurement and deployment of smart compactor trucks, mechanical sweepers, and GPS-enabled vehicles.
- Route optimisation and digital scheduling for improved efficiency and fuel savings.
- Development of decentralised fleet depots and maintenance hubs per region.

Technology and Digital Transformation

Timeframe: 2025–2028

- Full digitisation of operations, including waste tracking, route management, fleet monitoring, and IoT sensors.
- Customer Relationship Management (CRM) platform is integrated with mobile apps for complaints and feedback.
- Launch of data analytics dashboard for performance monitoring, compliance, and decision-making.
- Digital inventory, asset management, and real-time landfill usage reporting systems.
-

Commercialisation and Revenue Diversification

Timeframe: 2025–2029

- Establishment of a Pikitup Commercial Services Division for business waste collection, bulk removals, and advisory services.
- Launch of fee-for-service models, commercial waste audits, and partnerships with property and business owners.
- Monetisation of recyclables, compost, energy, and landfill space.
- Public-private partnerships and landfill usage agreements for third-party waste haulers

Environmental Compliance and Sustainability

Timeframe: Ongoing

- Compliance with NEMWA, National Waste Management Strategy, and GDARD requirements.
- Annual Environmental Impact Assessments (EIAs) for major infrastructure projects.
- Rollout of clean audits, SOPs for waste handling, and ISO certification processes.
- Climate change mitigation through GHG reduction, diversion targets, and renewable energy integration.

Organisational Capacity and Workforce Planning

Timeframe: 2025–2027

- Rollout of a Human Capital Development Plan, RPL Policy, and re-skilling for digital operations.
- Recruitment of 400 General Workers, filling of critical skills posts (e.g., engineers, data analysts).
- Establishment of Labour Management Forums, incentive schemes, and operational KPIs.
- Performance-driven culture is underpinned by transparent appraisal and rewards systems.
-

Community Engagement and Stakeholder Communication

Timeframe: 2024–2030

- Area-Based Cleaning and Ward-Level Accountability models.
- Partnerships with ward councilors, NGOs, faith-based groups, and CBOs.

- Behaviour changes campaigns on waste separation, littering, and illegal dumping.
- Monthly stakeholder feedback loops and clean city progress reporting.

Best Practice, Strategic Options

Digital Transformation and Innovation Roadmap

A phased digital transformation roadmap is the most appropriate strategic option for Pikitup given the scale of its operations, its asset-intensive service delivery model, and its mandate to provide reliable waste management across a complex metropolitan area. Pikitup already operates fleet management, monitoring, and reporting systems — a solid foundation for incremental technology integration rather than wholesale disruption. Data-driven tools such as route optimisation, real-time fleet monitoring, and performance analytics can directly address persistent inefficiencies, rising fuel and maintenance costs, and uneven collection in high-density areas. Critically, this approach supports labour-intensive operations and the formal inclusion of informal waste pickers, rather than displacing employment. The roadmap is deliberately scalable and pilot-based, allowing testing and refinement within current financial, governance, and regulatory constraints. It is practical, achievable, and positions Pikitup to progressively align with good international practice.

Targeted Technology-Based Interventions for Further Alignment

Smart Waste Collection and Route Optimisation: Pikitup's fleet management capabilities can be enhanced through the phased introduction of IoT-enabled smart bins in high-volume commercial nodes and dense residential areas. Real-time fill-level data would enable dynamic route planning, reduce unnecessary trips, cut fuel consumption and vehicle wear, and improve service reliability and response times. This directly supports cost control and emissions reduction.

Data-Driven Operational Planning and Predictive Analytics: Integrating data from smart bins, fleet GPS systems, landfill weighbridges, and service demand records would enable predictive analysis of waste generation trends and service pressures. This supports proactive resource allocation, better planning for seasonal peaks and major events, and stronger evidence-based decision-making across operations and capital planning.

Technology-Enabled Waste Picker Integration: Building on existing waste picker integration work, Pikitup can introduce simple digital platforms to register cooperatives, track recovered material volumes, and support transparent payments and incentive mechanisms. This would improve data accuracy on waste diversion, strengthen operational coordination, and reinforce social inclusion objectives while remaining accessible to informal sector participants.

Incremental Automation in Sorting and Material Recovery Facilities: Rather than full automation, Pikitup can introduce AI-assisted sorting technologies within MRFs to support manual operations. Optical sorting and contamination detection systems would improve material quality and recovery rates, raise the market value of recyclables, and improve operational efficiency without displacing workers.

Organic Waste Treatment through Anaerobic Digestion Partnerships: Pikitup can strengthen organic waste diversion by facilitating the supply of separated organic waste to anaerobic digestion facilities operated by the municipality or private sector. This approach reduces landfill methane while generating renewable energy and bio-fertiliser, supporting both climate and circular economy objectives.

2 budgetary requirements for financial sustainability and performance

2.1 Budget Requirements (3-year review: 2025/26 – 2027/28)

Table 26 below demonstrates the Pikitup Budget requirements for three (3) three-year reviews: 2025/26 – 2027/28)

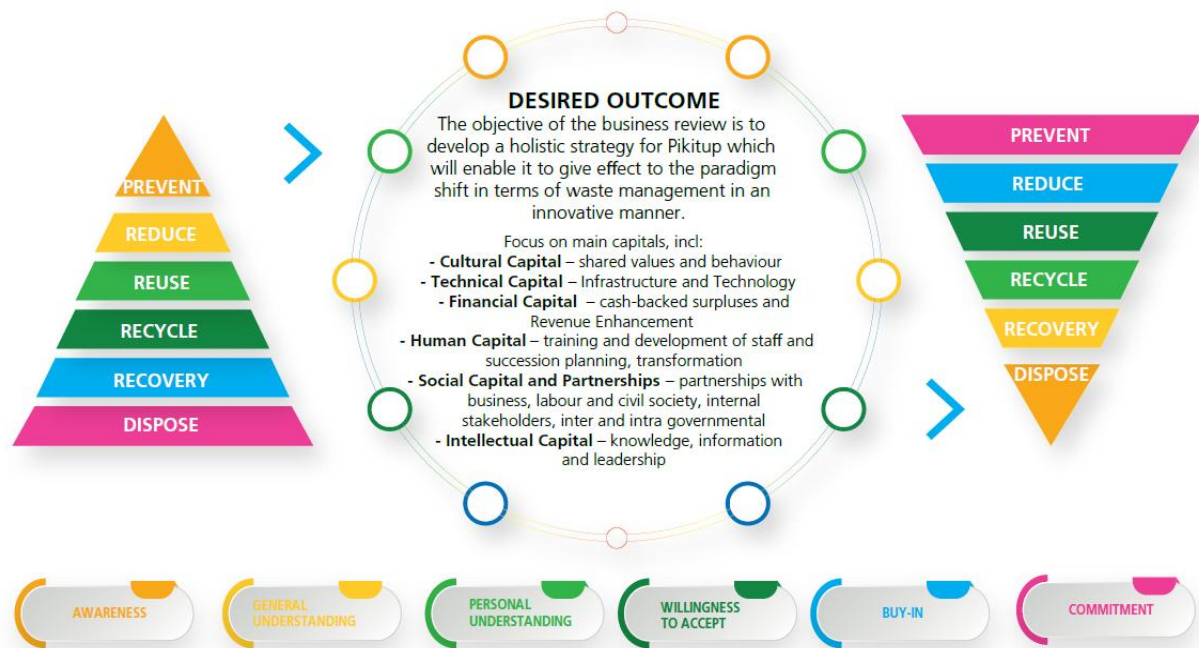
Table 6: Pikitup budget requirement

PIKITUP BUDGET REQUIREMENTS (3-YEAR REVIEW: 2025/26 – 2027/28)					
PIKITUP BUDGET REQUIREMENTS (3-YEAR REVIEW: 2025/26 – 2027/28)	Category	2025/26	2026/27	2027/28	Purpose
	Fleet Acquisition & Leasing	R350M	R150M	R100M	New vehicles, full maintenance leases, depot upgrades
	Refurbishment of Facilities				
	Infrastructure Upgrades (IWMFs & Landfills)	R250M	R300M	R200M	Upgrading 6 garden sites, MRFs, Robinson Deep cell
	ICT Systems & Digitisation	R80M	R50M	R30M	CRM, GPS routing, asset tracking, digital billing
	Compliance & Audit Readiness	R20M	R20M	R15M	Environmental compliance, audit resolution
	Staffing and Labour Force Expansion	R100M	R120M	R130M	Recruitment of 400 workers, upskilling, RPL rollout
	Public Awareness & Education Campaigns	R15M	R10M	R10M	Anti-dumping, recycling, and separation at source
	Contingency and Risk Reserve	R25M	R30M	R30M	Mitigating operational, legal, and inflationary risks

2.2 Potential funding sources and considerations

- Urban Settlements Development Grant (USDG) for infrastructure.
- Public-Private Partnerships (PPPs) and revenue bonds.
- Green Economy & Circular Economy Funds (GDARD, DFFE, DBSA).
- City of Johannesburg Capex and Opex Allocations.
- Revenue from commercial services and recyclable materials

7.1.7.1 The Desired End State-Turnaround Strategy



Pikitup's strategic goals are grounded in applicable waste legislation and policy, and are aligned to the internationally recognised waste management hierarchy — which places prevention at the top and disposal at the bottom. Even in countries with advanced waste management systems, some residual waste remains unavoidable: non-recyclable, non-compostable, non-combustible material, and around 20% by mass of ash from waste-to-energy processes.

As integrated waste management systems become more sophisticated — with greater emphasis on prevention, minimisation, reuse, and recycling — landfill demand falls. The reverse is equally true: where diversion programmes underperform, landfill demand grows. Advanced systems take time and money to build, and landfills will remain necessary throughout that transition.

Pikitup is using the Metro Trading Services Programme (MTSP) to move from a traditional solid waste approach to smart, integrated waste management. The reform provides performance-based financial incentives to support the transition to a soundly managed business model better equipped to absorb the shocks — climate and otherwise — that will inevitably arise. Pikitup is currently developing the programmes that will define its new business model.

The diagram below reflects Pikitup's desired end state and for the entity to reach it a detailed business model review is required which will focus on the following:

- Value chain analysis
- Waste flow modelling
- Transportation economic analysis and fleet mix modelling
- Infrastructure backlog and requirement analysis
- Skills requirements analysis
- Economic and financial analysis
- Effective management of risks
- Review of the existing strategies
- Provide guidance on how the business needs to be reconfigured to respond to the new mandate

and proposed strategy

- (j) Conduct benchmarking exercises with local and international (desktop) institutions similar to Pikitup and highlight good practices that should be considered by Pikitup in reconfiguring its business model

Pikitup's strategic goals are grounded in waste legislation and policy, aligned to the waste management hierarchy which prioritises prevention, minimisation, reuse, recycling, recovery, and lastly disposal. While the long-term ambition is to reduce landfill dependence through an integrated, technology-enabled system, it is openly acknowledged that landfills will remain necessary — residual waste and ash from waste-to-energy processes have to go somewhere.

As waste management systems improve, landfill demand declines — but where prevention and recycling fall short, disposal demand rises. This transition takes both time and money, and Pikitup will use the MTSP to move from a traditional model to an integrated, technology-enabled one.

Turning around integrated solid waste management services and reaching the desired future state requires significant change across seven organisational dimensions:

- adopting a customer-oriented and responsive service culture;
- strengthening financial sustainability through improved revenue collection, diversified funding, and cost efficiency;
- rehabilitating and expanding infrastructure, assets, and maintenance practices;
- enhancing leadership, management capacity, and succession planning;
- reinforcing governance, accountability, and digital enablement; and
- building a capable, motivated, and future-ready workforce.

Over the next 2–5 years, implementation will focus on:

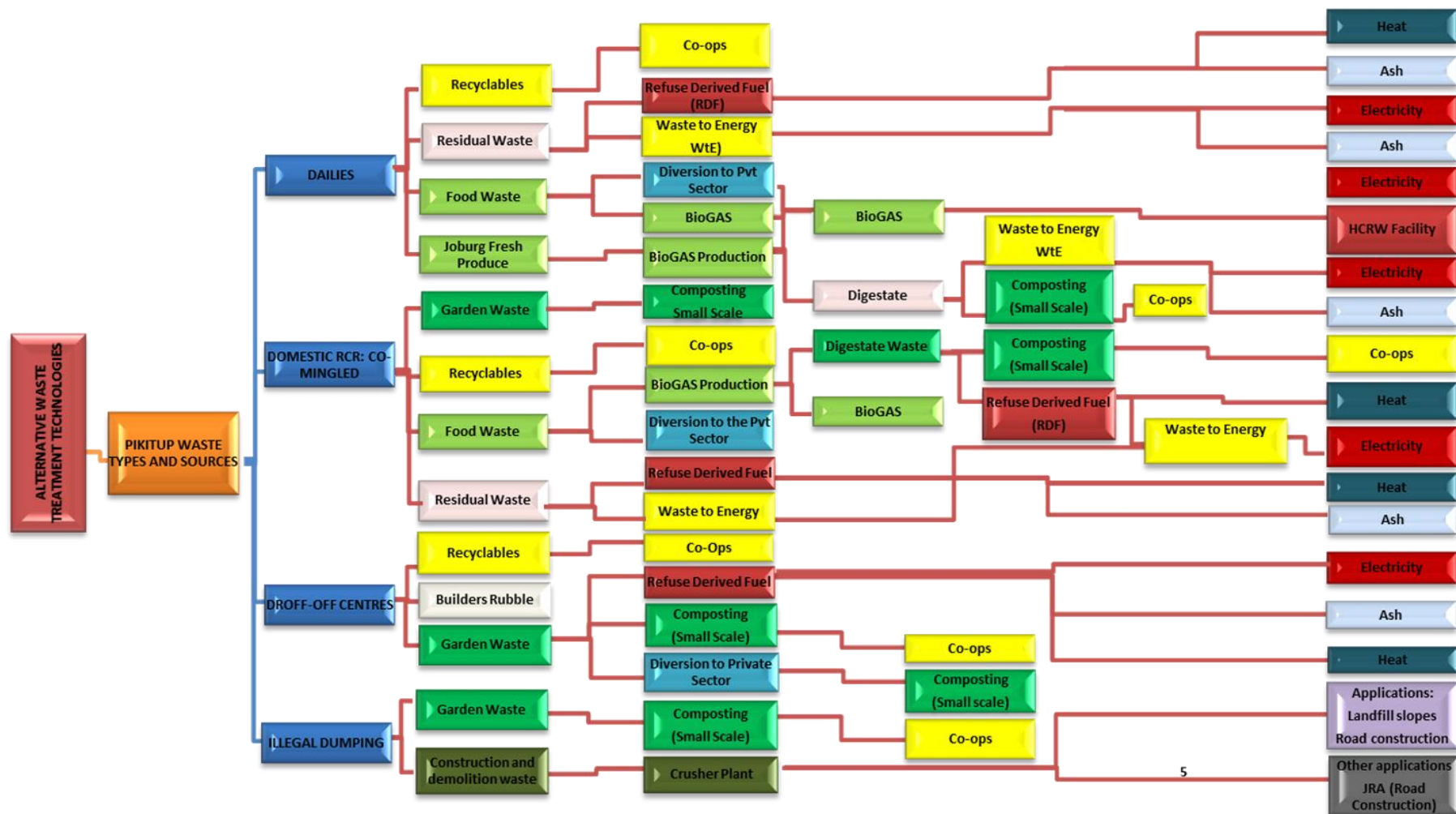
- Integrating informal waste recyclers,
- Promoting waste minimisation and recycling,
- Improving collection and disposal efficiencies,
- Developing alternative waste treatment technologies, and
- Repositioning commercial services to achieve financial viability.

These reforms will be supported by targeted investment in infrastructure — MRFs, composting and alternative waste treatment facilities — fleet and equipment renewal, advanced IT systems, public-private partnerships, community engagement and education, and stronger management, engineering, and technical capacity. Together, these changes aim to deliver a sustainable, resilient, waste management system for Johannesburg.

The implementation of the MTSP reform to turnaround the business is expected to result in several key outcomes and benefits for Pikitup:

1. **Operational and Financial Sustainability:** Enhanced financial management of Solid Waste Management trading services through surplus generation, enabling reinvestment in infrastructure and long-term service delivery.
2. **Improved Infrastructure:** Investment in modernized, efficient infrastructure will reduce operational costs and improve service reliability.
3. **Increased Transparency and Governance:** Clear regulatory guidelines and financial incentives will drive better governance and financial transparency in the trading services.
4. **Access to Incentives:** Performance-based finance incentives, as part of the Urban Settlements Development Grant, will provide the "fuel" for continued improvements and reward the achievement of operational and financial targets.
5. **Optimized Use of Resources:** By improving tariff structures and service management, Pikitup will make better use of grants, private finance, and internal resources.

Figure 7.1.7.2: An overview of value chain characteristics with the implications surrounding opportunities on various waste streams



2.3 Investment Plan (2025/26-2035/36)

Johannesburg's 10-year capital expenditure programme reflects the urgent need to decentralise waste infrastructure, reduce spatial inequality, and improve service access and operational efficiency across the city. The table below sets out the total capital investment required over the next decade.

Table 7: Total Estimated Capital Investment Required in the next 10 years

PIKITUP CAPITAL INVESTMENT	
CATEGORY	ESTIMATED COST (R BILLION)
Fleet Renewal and Expansion	3.0
Landfill Development & Upgrade	2.5
MRFs, Transfer Stations	4.5
Depots and Drop-Off Centres	2.2
ICT Systems and Smart Tech	0.8
Waste-to-Energy and Biogas	3.2
Total	16.2

Over the 10-year programme, the City is prioritising Integrated Waste Management Facilities and Waste-to-Energy projects to reduce landfill dependence and drive waste diversion. In response to urbanisation pressures, a distributed infrastructure model is being adopted — ward-based micro-IWMFs across all wards, decentralised drop-off/buy-back centres, and composting sites. This approach reduces transport costs, strengthens local recycling markets, and improves responsiveness at ward level. [NOTE: The R11.6 billion figure used here requires reconciliation with R16.2 billion (Table 1) and R18 billion (PMO section) — see editorial comment.]

Table 8: Capex Projected Investment of 10 Years

Summary:	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31	2031/32	2032/33	2033/34	2034/35	2035/36
Buyback/Garden Sites/IWMF	R 63 148 000,00	R 111 931 000,00	R 76 300 000,00	R 105 488 600,00	R 142 477 916,00	R 168 054 591,08	R 185 534 618,70	R 178 817 912,31	R 239 872 990,29	R 186 708 397,72	R 247 362 994,20
Landfill Sites IWMFs /Expansions/Compliance	R 142 666 000,00	R 252 580 000,00	R 268 493 000,00	R 2 136 037 643,00	R 2 580 017 815,00	R 1 065 450 000,00	R 245 458 201,00	R 5 000 000,00	R 10 000 000,00	R 5 000 000,00	R 10 000 000,00
Composting Facilities	R -	R -	R 27 500 000,00	R 66 325 762,00	R 32 065 000,00	R 32 590 000,00	R -	R 1 462 500,00	R 1 462 500,00	R 1 462 500,00	R 1 096 875,00
C&D Crusher Plant	R -	R -	R -	R -	R -	R -	R 130 000 000,00	R 10 600 000,00	R 11 236 000,00	R 11 910 160,00	R 12 624 769,60
Head Office and Depots	R 85 236 000,00	R 38 086 000,00	R 63 442 000,00	R 110 000 000,00	R 38 900 000,00	R 86 300 000,00	R 37 000 000,00	R 25 000 000,00	R 15 000 000,00	R 15 000 000,00	R 10 000 000,00
Support Services	R 7 595 000,00	R 4 000 000,00	R 5 500 000,00	R 26 137 630,08	R 27 705 887,88	R 29 368 241,16	R 31 130 335,63	R 31 056 933,22	R 32 920 349,21	R 34 885 570,16	R 36 989 304,37
Plant and Equipment	R 1 000 000,00	R 1 000 000,00	R 8 500 000,00	R 32 029 000,00	R 39 400 000,00	R 48 486 000,00	R 47 105 240,00	R 54 782 154,40	R 41 918 383,66	R 50 797 786,68	R 47 994 453,88
Waste to Energy Infrastructure	R -	R -	R -	R -	R -	R 750 000 000,00	R 1 047 600 000,00	R 1 157 200 000,00	R 487 450 000,00	R 545 837 000,00	R 280 453 000,00
Fleet	R 10 000 000,00	R 7 000 000,00	R 40 188 000,00	R 117 567 500,00	R 117 567 500,00	R 117 567 500,00	R 181 181 000,00	R 224 381 000,00	R 224 381 000,00	R 224 381 000,00	R 224 381 000,00
	R 309 645 000	R 414 597 000	R 489 923 000	R 2 593 586 135	R 2 978 134 119	R 2 297 816 332	R 1 905 009 395	R 1 688 300 500	R 1 064 241 223	R 1 075 992 415	R 870 902 397

The key priorities for Pikitup include:

- Integrated Waste Management Facilities-** These serve as the backbone of a circular waste system, enabling sorting, recycling, and material recovery at scale, both centrally and in township-based micro hubs.
- Waste-to-Energy (WtE) Solutions** -Strategic investments in WtE incineration plants are designed to reduce landfill volumes while generating renewable energy, aligning with low-carbon urban development goals.

3. **Landfill Compliance and Expansion**-planned expansions at Robinson Deep, Ennerdale, and Marie Louise are critical to maintain environmental compliance and ensure continuity of service during infrastructure transitions.
4. **Drop-Off and Buy-Back Centres**-These decentralised nodes support informal and formal recycling efforts and enable communities to participate directly in waste diversion efforts.
5. **Food and Green Waste Processing Facilities**-Decentralised composting and biogas projects respond to the city's organic waste burden and promote low-cost, localised waste value creation.

Funding Mechanisms for Capital Expenditure

- **Internal Revenue and Cost Recovery:** Tariff restructuring and improved collection to increase surplus capacity.
- **Performance-Based Grants and Others:** Aligned to MTSP milestones (e.g., USDG).
- **Public-Private Partnerships (PPPs):** For WTE, recycling, and organics.
- **Blended Finance:** Via City Treasury for major infrastructure.

Revenue Enhancement Initiatives

- Full accountability for commercial billing and customer interface by 2026.
- Recalibrate tariffs for cost-reflectiveness and incentivise high-diversion clients.
- Introduce digital platforms for self-service and account management.

Financial Restraints — Use Waste as an Economic Resource

Pikitung has identified waste diversion and beneficiation as tools to reduce financial pressure on landfill operations — not as immediate revenue generators. Separation at source, garden waste diversion, and dry recyclables recovery through buy-back centres, drop-off facilities, and partnerships with reclaimers and private recyclers all contribute to reducing disposal costs and extending landfill life. Green waste is diverted to composting facilities operated internally or by approved third parties, reducing airspace use and methane generation, even though compost is not currently sold commercially. The indirect economic benefit from cost avoidance is real, even in the absence of direct sales income. Beneficiation also supports job creation in the informal recycling sector, aligned with EPWP and social development objectives rather than profit.

Capital Project Implementation Capacity

Pikitung's 10-Year Capital Roll-Out Plan, with projected investments that require careful verification and reconciliation (see editorial comment), will stand or fall on the capacity of the Project Management Office (PMO) to deliver. The PMO is the central mechanism for ensuring that infrastructure investments — in waste management, recycling, organic waste processing, landfill compliance, energy recovery, and fleet renewal — are delivered on time, within budget, and to the required quality standard.

Strategic Intervention to build a high-performance PMO

- Institutional Restructuring
- Repositioning of the Project Management Office

Core Capacities to be developed

Core Area	Action Required
Programme Management	Adopt integrated project lifecycle software (e.g., MS Project,

Financial Oversight	Build in-house capacity for CAPEX cashflow tracking, cost escalation, and funding leverage.
Procurement Pipeline Coordination	Map and fast-track long-lead procurement items via centralised dashboards.
Environmental & Social Compliance	Embed EIA, waste licensing, and community consultation officers and regional project coordinators into the PMO structure.
GIS and Data Intelligence	Integrate project location data, ward-based demand, and spatial equity analysis.

Digital Project Dashboard and Reporting

- Leverage CoJ Power BI to track milestones, budget management, risks, and contractor performance.
- Automate the system to generate quarterly reporting linked to IDP, SDBIP, and COJ Executive oversight cycles.

Performance and Risk Management

- Implement Gate Review Milestones to flag scope, time, cost, and quality deviations.
- Implement a Project Delivery Scorecard for each capital investment, monitored monthly

Talent Development

- Establish a PMO graduate Pipeline and mentorship programme to train young engineers, planners, and project controllers.
- Partner with local universities and engineering councils for technical support and continuous learning.

.1 Environmental Analysis

Pikitup operates in a difficult dual environment — it must comply with public-sector procurement, finance, and regulatory rules (MFMA, Municipal Systems Act, Preferential Procurement Policy) while also trying to operate in a commercially competitive way. This has created persistent tension in maintaining a self-sustaining value proposition.

The most immediate strategic challenge for Pikitup is the rapid depletion of airspace at its four remaining landfill sites. Compounding this is rising waste generation and growing costs associated with managing waste safely. Any solution must also account for the city's socio-economic realities — unemployment and poverty alleviation cannot be separated from how waste infrastructure is designed and delivered.

The diagram below represents a process that Pikitup undertook to enable it to craft this Business Plan and to have a clear roadmap with interventions that will ensure a well-managed, efficient and effective organisation focused on the delivery of its strategic direction.



The main challenges identified in waste management are:

- (a) The CoJ Metropolitan Municipality is the largest metropolitan area in South Africa and extends to more than 1644 square kilometers.
- (b) Johannesburg is home to more than 5.5 million people, making it the biggest metro by population size in South Africa. This puts pressure on waste management facilities which are already in short supply.
- (c) The City of Johannesburg comprises 1.8 million households. This equates to an average annual growth rate of 3.04% in the number of households from 2008 to 2018.
- (d) High population growth with the proliferation of informal settlements rising from 211 informal settlements in 2016 to 312 in 2022.
- (e) Increased complexity of the waste stream because of urbanisation and industrialisation.
- (f) Declining levels of capital investment and maintenance result in inadequate waste management infrastructure.
- (g) Underpricing of waste management services.
- (h) Inadequate waste management fleet.
- (i) Inadequate waste bylaw enforcement.
- (j) High attrition of skilled/technical staff.
- (k) Declining levels of investment in waste minimisation (e.g., source separation).
- (l) Ageing workforce.

.2 Strength, Weakness, Opportunities and Threats (SWOT) Analysis

The SWOT analysis below captures the key internal strengths and weaknesses alongside the external opportunities and threats facing Pikitup. The strategic goals aim to build on strengths and opportunities while addressing weaknesses and mitigating threats.

Table 7.4.1: SWOT analysis

Strengths		Weaknesses	
Internal	▪ Captive market – core mandate ▪ Experience and track record in the waste sector ▪ Policies and frameworks that are in place ▪ Skills and knowledge of the sector ▪ Established brand.	▪ Entity not operating as a business ▪ Partnerships with business, labour, and civil society are not fully developed ▪ Weak solid waste business, performance reporting, and ICT systems ▪ Slow in bridging the skills gap ▪ Ageing infrastructure, depletion of landfill airspace, condition of plant & equipment, and fleet ▪ Ageing workforce at lower levels ▪ Working in silos ▪ Inadequate compliance with policies, procedures, and regulations ▪ Lack of contract and project management capacity ▪ Lack of Revenue recognition and management ▪ Inadequate Policy implementation ▪ Poor access control at landfills/inadequate security.	
	Opportunities	Threats	
External	▪ Implementation of Alternative Waste Treatment Technologies such Biogas and Waste-to-Energy projects ▪ Community-based projects to assist with cleaning and monitoring ▪ PPP – Various partnerships with the private sector to divert waste streams away from landfills ▪ Commercialisation ▪ Transfer of by-law enforcement to Pikitup as part of the by-law review ▪ Precinct-based operating model. ▪ Citizens' involvement and behavioural change ▪ Landfill gas harvesting	▪ Growth in population and waste generation ▪ Landfill airspace depletion ▪ Funding for the implementation of various projects ▪ No advanced planning for future disposal needs ▪ Labour disputes and community protests related to demands for jobs ▪ Economic slowdown and the inability of customers to pay for services ▪ Load shedding ▪ Political instability	

.3 The PESTEL Analysis

A high-level PESTEL analysis identifies the political, economic, social, technological, legal, and environmental factors shaping Pikitup's operating environment. It provides a broad situational scan across multiple dimensions that Pikitup must monitor and respond to throughout implementation of this plan.

Table 7.5.1: PESTLE strategic analysis

Political	Economical	Social
- Political Instability that affects strategic and long-term planning. - Labour instability - Population/waste growth: Unsustainable and growing need for basic services – less funding available for services due to competing needs. - Funding model review: Current tariffs are not cost-reflective and do not support waste minimisation.	- Ability of residents to pay for services - Cost-reflective tariff - Commercial services are not competitive and agile, - Distance to landfills and disposal facilities, and disposal costs - Increase EPWP and co-operatives support to mitigate high unemployment levels and ensure waste management contributes to creating job opportunities. - Inadequate network of buyback centres results in fluctuations in the price of recycled materials, thus impacting on the sustainability of co-operatives and the recycling economy within the CoJ. - Few local off-take agreements to stimulate demand for recycled materials - Maintain Level 1 cleanliness to attract economic activity.	- Investment and budgets set aside to influence behavioral change are insufficient, hence the slow response by citizens. - Pikitup's reputation as a credible service entity is slowly rebuilding, and confidence in the organisation's ability to shift its approach and deliver services is improving. - Growth of the City as well as densification is not aligned to the available services and infrastructure for waste management. - Inefficient service delivery will result in health problems
Technological	Environmental	Legal
- Delayed adoption of alternative waste technologies. - Inadequate internal capacity for practical research and concept development. - Inability to develop a fit-for-purpose PPP framework to ensure cost-effective implementation of relevant technological solutions. - Technological solutions are often perceived as reducing job opportunities. - Implementation of solid waste management systems: IT infrastructure i.e., RFID tags, weighing systems, fleet management, etc.	- By-laws do not encourage and promote 'reduce; reuse and recycling' programme (3Rs). - No incentives and disincentives in place to encourage the 3Rs activities. - Inadequate integrated bylaw enforcement strategy. - Risk and cost of compliance with regulations and legislation. - Develop implementable and measurable SOPs that also integrate the 3Rs. - Long leads to obtaining the necessary licenses and other approvals for waste management facilities and activities.	- Risk and cost of compliance with regulations and legislation. - Waste management activities contribute to CO2 emissions and other environmental factors. - Adoption of clean technologies to reduce carbon footprint.

Section 8: Risk Assessment

Risk management guiding tools

The following guiding tools are used in the implementation of risk management principles:

Risk Management Framework	Outlines the foundational risk management principles, risk management process and organisational arrangements for designing, implementing, monitoring, communicating, reporting and reviewing risk management throughout the entity in a consistent and a standardised approach.
Risk management process	The entity's risk management process involves a formal and structured system to identify, assess, treat, and monitor material risks at strategic, business, and operational levels.
Risk management plan	Outlines the approved risk management activities to be carried out throughout the entity in a specific year. This work plan is approved by the board. The Risk and Compliance department champions the implementation of the plan.
Risk register	This tool records detailed information about potential risks. It serves as an up-to-date database about the status of individual risks. Each function and business unit of Pikitup has developed risk registers resulting in a total of 32 risk registers maintained in the year. Each executive manager as the risk owner is responsible for all risk registers within their area of responsibility and has the authority to appoint action owners to take responsibility for the management of specific risks. Risk and Compliance Champions are appointed to assist the executive in fulfilling risk management responsibilities. The risk registers are discussed by the ARC quarterly.
Integration of risk management into the entity's strategy design, execution, and management process	The Pikitup board ensures that management is attuned to risks that can impact the strategy and manages them well by incorporating the identification of strategic risks into the annual business strategy session.
Combined Assurance Policy and Framework	Pikitup has adopted a Combined Assurance Model which identifies three levels of defence. The lines of assurance are separated by the level of risk ownership as well as the independence of assurance. First level of defence: Level 1 assurance providers include members of the Executive Management Committee which report to the Accounting Officer, board, and its committees (management). Second level of defence: Level 2 assurance providers are internal non-independent assurance providers that are part of Pikitup management who provide management support and perform more of a monitoring and advisory function over management activities. (Risk Management, Compliance, Safety, Health and Environmental Unit, Legal, Contract Services, Ethics Office). Third level of defence: Level 3 assurance providers provide more objective assurance and advice to management since they are independent of management responsibilities. (Internal Audit, Auditor-General of South Africa, External Audit, independent experts).

Safety, Health, Environment and Quality (SHEQ) risks that could affect our employees, the communities that we operate in, contractors on our premises, and the environment being identified, and the following four priority risks will be our focus in the next financial year:

- Visible leadership** – ensuring that all levels of leaders within the organisation are committed to the SHEQ performance that the organisation seeks to achieve.
- Line management** – ensuring that our line managers have competencies, capacity, and line of sight.
- Change management** – helping the business understand the implications of all changes made in

the organisation and how those changes affect SHEQ performance.

- d) **Management of contractors/suppliers** – conducting a SHEQ review of the activities of contractors and assessing the key areas that need attention for incident reductions and legal compliance.

Pikitup has performed well in its SHEQ programme, and this performance can be summarised as follows, together with commitments for improvements in the future:

Quality management

We are establishing a quality management system designed to ensure that our services are provided to international, national and company standards. Our quality management system will require regular auditing of the process and service by ensuring that quality assurance is built into each process. Quality systems require understanding and commitment by all employees, especially management. These are monitored during audits and formalised during regular management review meetings.

Safety management

SHEQ performance is managed through continual improvement and all Pikitup employees take responsibility for safety. Safety is a prerequisite to any business we undertake, and safe behavior is a condition of continued employment.

Environmental management

Pikitup pledges its commitment to environmental compliance in all its activities. To achieve compliance with the National Environmental Management Act, NEMWA and related legislation, we committed to the following in 2026/27:

- a) Reviewing environmental permits and licenses to ensure compliance
- b) Working towards ISO 14001 certification for the organisation
- c) Communication within the business of the trends and analysis, and proposed corrective actions for external ISO 14001 audit findings
- d) Updating our internal legal compliance checklists based on findings from external legal compliance audits and changes in legislation
- e) Reviewing Environmental Authorisations (Records of Decisions) issued based on environmental impact assessments and their conditions to ensure compliance.

Pikitup recognises the significant impact of its landfill operations on neighboring communities and commits to implementing sustainable business practices within a culture of responsible environmental stewardship. This commitment is expressed in Pikitup's strategic and operational planning.

Pikitup's environmental management objectives include:

- a) Legislative and regulatory compliance
- b) Internal and external stakeholder engagement
- c) Sustainability reporting
- d) Assessment and evaluation of sustainability initiatives.

Waste management

Pikitup aims to develop, implement, and maintain an integrated waste management system that conforms to sustainable practices and minimises environmental impact. This system will take a holistic and integrated planning approach to waste management that includes technology solutions, system procedures and human resources. This approach applies to management, employees, subcontractors, and business partners associated with Pikitup, as well as to all operational activities that may contribute to pollution or degradation of the environment. 'Reduce, Reuse, Recycle' is the central theme for

managing waste. We are committed to efficient, legally and ethically compliant, innovative and sustainable waste management. We have not managed to reduce our waste-to-landfill tonnage this year due to the slow implementation of our waste diversion programme, which we intend to remedy in the new financial year with the appropriate budget and partnerships.

Occupational health

Our aim is to ensure that occupational health is integrated into all our management systems and core operations to prevent occupational illnesses. We also focus on minimising the major risks in our workplace. Our internal Occupational Health/Wellness Department manages occupational health.

Customer safety

Health and safety standards were included in refuse collection by making sanitisers available in all the collection vehicles. A strict limit was placed on the number of customers collecting bins from our depots and social distancing protocols were applied. Whenever any employee tested positive for Covid-19, the depot was temporarily closed for deep cleaning to safeguard employees and customers.

Operating environment

Low economic growth, poor economic conditions and the resultant weak consumer sentiment are damaging South Africa's business environment, and this has been compounded by Covid-19. Consumer disposable income has been further eroded by rising utility prices, higher health insurance costs and increasing general living costs.

Risks	Opportunities
○ The economic environment remains challenging, worsened by the Covid-19 pandemic constraining consumer spending. ○ Criminal activity, including syndicated crime, escalates during times of economic hardship. ○ Currency volatility could impact on the cost of direct and indirect imports and result in price increases that cannot be passed on to consumers.	○ Continue to pursue a strategy to improve service delivery. ○ Focus on consistently providing high levels of customer care. ○ Grow commercial sales and extend service ranges. ○ Continue to drive efficiencies.

Regulation

Waste and landfill management is highly regulated. However, the cost of compliance is inhibiting and there is limited ability to pass the cost on to the customers or users of our services.

Risks	Opportunities
○ Waste management legislative and regulatory changes with limited technical and financial resources to implement them. ○ Introduction of Covid-19 regulations increase compliance requirements. ○ Non-compliance with current and emerging legislation resulting in monetary sanctions.	○ Ensure Pikitup is operating efficiently to maintain financial sustainability. ○ Continue management engagement with the shareholder on adequate funding for waste-related legislation and regulation compliance. ○ Partner with the private sector to reduce regulatory burden.

Information technology

Real-time, uninterrupted IT systems are essential in today's technology-driven business environment, while robust IT security and governance processes are required to limit breaches of customer privacy and loss of data to avoid legal liability and reputational damage.

Risks	Opportunities
- Confidential customer data or sensitive internal data compromised because of an undetected data security breach or cyber-attack. - IT systems and architecture are no longer appropriate in an environment of ever-increasing scale and requirement for real-time information. - Inability to restore business operations and IT systems in the event of a disaster. - Power outages affecting the ability to operate billing and HR systems, resulting in financial losses and labour unrest.	- Improved information security practices and compliance because of an increased online presence. - Planned implementation of new IT systems with improved system efficiency and cost savings. - Migration to a cloud-based business continuity plan. - Ensure continued operations during power outages by connecting to other government agency generators where available and backup power through uninterruptible power solutions.

Sustainability risks

Sustainability underpins our approach to potential risks and informs the way we manage material issues. The process of identifying risks and opportunities is driven by a strategic and systematic method that enables continuous improvement of risk management and open communication of threats within Pikitup.

Waste

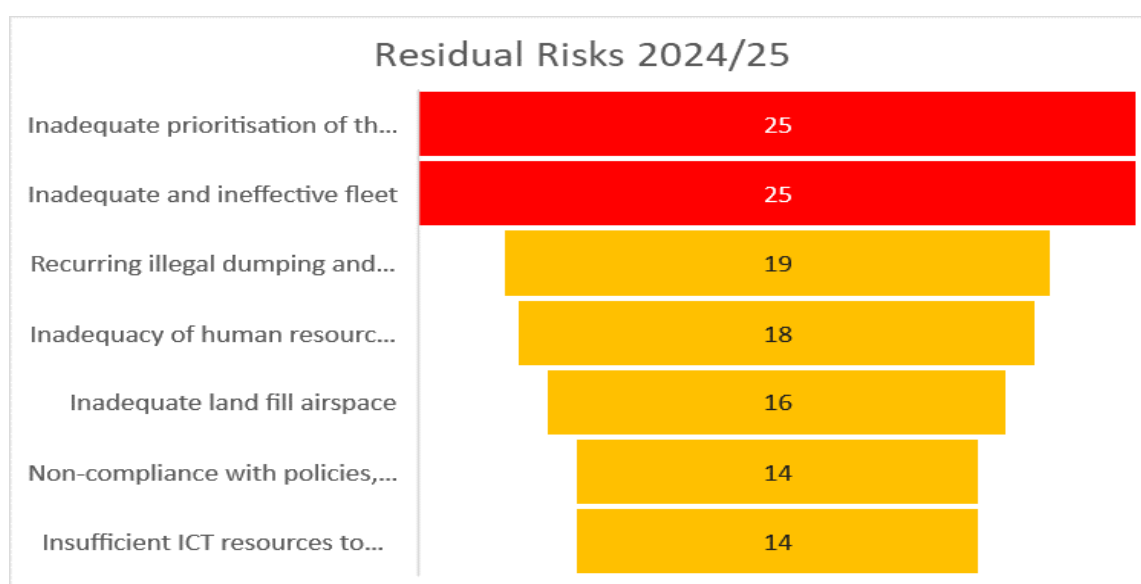
Dumping medical waste at closed landfill sites is illegal and poses both a health and reputational risk to the company. The environmental impact of plastics is a growing global concern. Addressing this requires a joint effort across sectors — and Pikitup is implementing a stronger waste separation and recycling programme in 2026/27.

Pikitup strategic risks for 2026/27

The table below sets out the description of the risk exposure levels and the general risk management approach for each risk exposure level:

Risk exposure levels			Action required
=>20 20 - 25	Very high	Unacceptable	Requires immediate attention from management on the implementation of corrective measures
=>12 12 - 19	High	Unacceptable	Implementation of improvements and validation of current controls
=>6 6 - 11	Moderate	Acceptable with caution	Evaluation and improvement of current controls
<6 0 - 5	Low	Acceptable	Validation and optimisation of controls

Figure 8.1: Strategic residual risk rating



Lack of fleet fit for purpose (plant, equipment, tools)	
Contributing factors	▪ Lack of type of fleet, plant and equipment that is fit for each waste stream service (informal settlements services, illegal dumping, green, dry waste, separation at source). ▪ Existing fleet for waste collection services are not fit to deliver timely service consistently due to frequent breakdowns resulting in regular fleet unavailability. ▪ Unavailability of fleet for commercial services impacts the level of service offering and quality.
Insufficient funding	
Contributing factors	▪ Insufficient funding for all waste diversion (green, builders' rubble, dry waste, separation at source). ▪ Funding for receptacles causing an inability to roll out receptacles (infrastructure) in proximity to relevant and high-density areas. ▪ Insufficient funding for clearing illegal dumping. ▪ Inadequate budget for commercial service and informal settlements fleet. ▪ Insufficient funding for consistent advertising, marketing, education and awareness. ▪ Insufficient funding for creating job opportunities through EPWP. ▪ Insufficient funding for the required human resources. ▪ Lack of funds for incentives for all waste diversion categories. ▪ Loss of revenue from landfill services. ▪ Tonnage recording and reporting is hampered thus affecting the reporting and eventually billing. ▪ Expectations for employment from EPWP place pressure on finances. ▪ Inability to include reclaimers. ▪ Increasing demand for ad hoc fleet/augmented services and the expensiveness of this service.
Inadequacy of human resource alignment	
Contributing factors	▪ Unavailability of human resources for environmental education and awareness (education officers) critical for the appropriate consistent cleanliness levels city-wide, changing the behaviour of illegal dumping, waste diversion project, improving the level of environmental awareness by residence.

	▪ Lack of technical skills and management personnel required for waste diversion strategy development and implementation. ▪ Human resource numbers (general workers, middle management, senior management) are not sufficient for daily waste services in informal settlements, for clearing of illegal dumping and timely cleanliness levels city-wide. ▪ Management vacancies within operations for daily management and strategy implementation for effective delivery of waste services. ▪ Landfills management vacancies. ▪ Lack of capacitation of commercial service unit and ICT department (numbers, skills, management). ▪ Moratorium. ▪ Leadership incapacity, frequent changes in leadership positions, and too many acting positions destabilise the control environment and cause non-compliance issues. ▪ Organisational culture not properly aligned to strategic and operational objectives. ▪ Poor performance management. Culture of conducting performance management for bonus purposes. ▪ Lack of human resources for performance monitoring and reporting at various business units and dedicated human resources for Draft Business Planning, performance monitoring and reporting impacting clean audit opinion from the Auditor-General of South Africa (AGSA). ▪ Insufficient personnel to ensure seven-days response turnaround to complaints and concerns raised by external stakeholders inclusive of media and residents.
Recurring illegal dumping and littering	
Contributing factors	▪ Lack of bylaws enforcement for builders' rubble, legal disposal of waste and waste separating impacts targets for waste diversion and levels of cleanliness. ▪ Lack of consistent and inadequate environmental education and awareness to residents hampers the cleanliness of the city, implementation of illegal dumping strategy, dry waste diversion, and implementation of separation at source. ▪ Lack of environmental awareness in communities.
Depletion of available landfill airspace	
Contributing factors	▪ Lack of cost-effective waste treatment and waste beneficiation technologies and non-diversion of bio-degradable waste. ▪ Lack of land space to establish new landfills. ▪ Lack of off-take strategic partners causes lower diversion of green waste, builders' rubble and dry waste. ▪ Lack of infrastructure at landfills, MRFs and transfer stations causes lower diversion of recyclable waste from being landfilled. ▪ Lack of strategy for waste minimisation programmes and sustainable implementation. Lack of approved strategy on strategic projects to enable constructive engagements with partners contributes to failures in securing partnerships. ▪ Builder's rubble diverting function falls outside of Pikitup mandate and its scope is too large. ▪ Separation at source is not taken as the strategic/core activity at the depot level. ▪ Inability to include waste reclaimers in the value chain.
Inability of ICT to support the business (Operational & Strategic)	

Contributing factors	▪ Misalignment between ICT and Business due to lack of consultation. Business procuring systems and only consult IT during implementation ▪ Inadequate ICT Structure ▪ Lack of integrated systems and technological infrastructure ▪ Lack of policy review and approved ICT policies, processes and procedures ▪ Cyber Threats
Non-compliance with policies, laws, regulations and rules	
Contributing factors	▪ User departments' invoices are not submitted and signed on time for payment as well as suppliers not submitting their bank details and supplier statements causing invoices not to be paid within 30 days. ▪ Invalidity of Preferential Procurement Policy Framework Act (PPPFA) of 2017. ▪ Non-compliant with SCM processes, lack of strategic procurement planning as well as poor contract management causing new UIFW, impacting clean audit opinion from AGSA and non-compliance with landfill permit conditions. ▪ Unauthorised discharges of leachate and groundwater contamination, together with illegal waste picker access to landfills, constitute non-compliance with landfill permit conditions and bylaws — compounded by delays in executing the Capex infrastructure plan. ▪ Non-adherence by employees to safe working procedures. ▪ Non-adherence by drivers to fleet policies and procedures causing disabling injury and litigations (poor driving skills and risky driver behaviour – unsafe driving and road behaviour, high speeding at uneven surface at landfill sites). ▪ Non-adherence to bylaws for builders' rubble, legal disposal of waste and waste separating impacts targets for waste diversion and levels of cleanliness. ▪ Culture of non-compliance with policies. ▪

Crime, Grime, Dirt & Service Delivery Failure

Illegal dumping, inadequate cleansing, and service breakdowns contribute directly to urban decay and public safety risks. Pikitup's response must involve multiple agencies — JMPD, provincial departments, and intergovernmental forums — consistent with the Presidential Working Group approach. During preparations for the G20 Johannesburg 2025 event, intensified street cleansing, visible enforcement, and coordinated EPWP labour deployment were used to stabilise high-risk inner-city zones. Sustaining those gains requires bylaw enforcement alongside cleaning. The G20 experience confirms that cleanliness improvements are most durable when service delivery, enforcement, and community engagement happen together.

Contingency Plan Effectiveness for Strikes

Service continuity in waste management is non-negotiable — disruptions carry immediate public health and environmental consequences. During the G20 Johannesburg 2025 event, contingency measures included prioritising key routes, redeploying available fleet, using EPWP labour, and coordinating across departments to maintain uninterrupted cleaning. These measures worked because they were planned in advance. Documenting them as a formal strike contingency plan would strengthen Pikitup's resilience for future disruptions.

Safety, Health, Environment and Quality

The SHEQ Unit remains a core function within Pikitup, and standards continue to improve. Effective SHEQ management depends on involving stakeholders in operational processes and managing day-to-day risks systematically. Our focus for the 2026/27 financial year is the 3Cs Zero Harm Campaign.



Culture

Establish a culture of care and concern through our SHEQ programme. Develop leadership skills of the entire workforce and create a culture that enables people to stand in their commitment to SHEQ.



Competence and training

Develop health, safety, and environmental education that inspires and empowers people to work safely or not at all. Develop an emphasis on occupational health.



Communication

Create an environment to enable collaboration and open discussion. Ensure clear, consistent communications utilising a range of channels to reach all Pikitup employees.

Business Continuity Management

Business continuity is a whole-organisation responsibility. Pikitup continues to operate in accordance with the Business Continuity Good Practice Guidelines 2018. Key risks have been identified through the business impact analysis process and the Business Continuity Management Committee. The programme uses a six-pillar approach to assess potential loss of premises, skills, equipment, documentation, suppliers, IT systems, and data — and to identify and implement mitigating controls.

The Crisis Management Plan (CMP) provides strategic direction for managing the recovery of Pikitup's operations from initial response to an acceptable level of service. It covers both operational and non-operational disruptions and external events. Within Pikitup, crisis management is designed to ensure:



Management can identify, assess and achieve control of crisis situations as soon as possible.



Effective and timeous internal and external communication with all relevant stakeholders during and after a crisis.



Appropriate leadership and executive direction guide the activities undertaken at all levels within Pikitup during a crisis.



Clearly defined and understood structures, roles and responsibilities exist to support efficient responses to a crisis.



Role players tasked with crisis management responses are competent and have the necessary tools to optimally execute their functions.



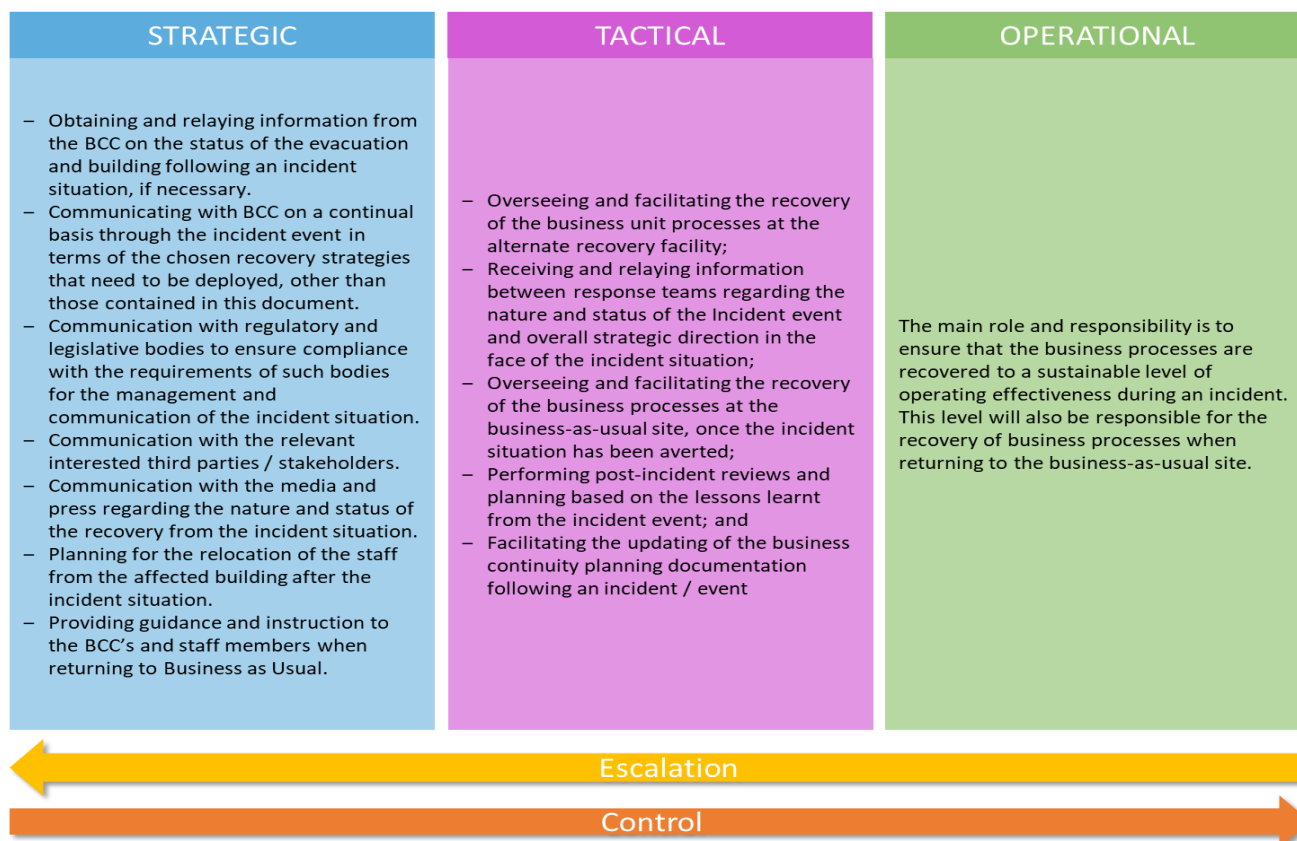
The CMP provides a framework for decision-making and adequate information to guide the management of a crisis but is not detailed to the extent that it limits the ability to

deal with any possible crisis.

A well-designed, tested Business Continuity Management programme reduces the operational impact of disruption by shortening recovery time. Pikitup's Business Continuity Plans provide documented procedures that guide the response to disruption and the recovery of operations to defined service levels through continuity and recovery strategies.

An effective response structure enables accurate, rapid communication to the right people and teams across the organisation, including relevant external suppliers. Response teams operate at three levels — strategic, tactical, and operational — and each level has distinct responsibilities:

Figure 8.2: Levels of response



4. Reputation risks on city cleanliness levels

Pikitup connects visible cleanliness, public participation, and regulatory compliance to greater resident confidence and civic pride, treating reputation management and behaviour change as preventative mechanisms within the waste management system. Targeted initiatives — community clean-ups and anti-illegal dumping campaigns — treat behaviour change and public trust as essential to keeping the city clean. Leading cities including New York City and Tokyo take the same approach: NYC's composting mandates and Tokyo's waste separation requirements are tools for pollution prevention and civic accountability, not just compliance.

Section 9: Strategic Response

9.1 Key Performance Areas

Moving waste up the hierarchy — away from disposal towards prevention, reuse, recycling, and recovery — requires new technology and changed behaviour. An assessment of the waste value chain must account for available technologies, existing services, and what waste fractions can realistically be

recovered. With Pikitup's four operational landfill sites averaging roughly 2.5 years of remaining airspace, diversion is urgent and alternative treatment options for residual waste are needed now. Waste avoidance is an equally important driver in meeting waste minimisation targets.

The gaps and needs assessment have highlighted the following areas:

- Lack of waste minimisation and recycling initiatives.
- Waste characterisation
- Business structure
- Billing and Financing
- Illegal dumping
- Evaluation and monitoring
- Communication
- Collection and transport

Recycling and recovery allow valuable materials and energy to re-enter the economy, while reducing the costs and environmental impacts associated with extracting virgin materials.

Globally and locally, the opportunity that waste presents as a secondary resource is well understood. Materials and energy recovery from waste creates local economic development opportunities, and the concept of waste as a resource — rather than an unwanted disposal problem — is increasingly embedded in municipal strategy. This thinking drives the transition from a linear economy to a circular one, and it carries significant socio-economic potential.

The value chain for waste starts with its generation and then takes the following steps before reaching the consumer on the market:

- Collector – primary and secondary
- Recycler (could include pre-treatment such as crushing, separation and shredding or baling)
- Converter/manufacturing industry – waste is used as resource or raw material input to produce products/materials
- Retailer – the reintroduction of products and materials onto the market.

The primary objective is to identify opportunities that will assist Pikitup in achieving its waste minimisation and service delivery efficiency goals, by focusing on waste streams that:

- 1) Reduce transportation and collection costs, (e.g., high-volume low density/weight [poor payload efficiencies] or very high density/weight, low volume)
- 2) Reduce the greenhouse gas emissions (environmental aspects) (e.g., organics)
- 3) Increase landfill airspace savings (e.g., bulky, high-volume waste)
- 4) Have a very high generation rate.

In order for Pikitup to fully identify the opportunities above a waste characterisation study was conducted in 2016 and the result reflects in the table below:

Table 9.1.1: Waste characterisation per depot area (as per RRLP September 2016)

Depot	HH Residual	Recyclables	Garden waste	Food waste
Avalon	28.7%	40.6%	26.0%	4.7%
Central camp	29.4%	40.5%	25.4%	4.8%

Marlboro	26.4%	40.9%	27.8%	4.9%
Midrand	26.9%	40.9%	27.5%	4.7%
Norwood	25.1%	41.1%	29.0%	4.8%
Orange farm	29.8%	40.5%	25.1%	4.6%
Randburg	25.3%	41.2%	28.9%	4.5%
Roodepoort	28.3%	40.6%	26.2%	4.9%
Selby	28.3%	40.5%	26.1%	5.1%
Southdale	27.2%	40.8%	27.2%	4.9%
Waterval	26.3%	40.8%	27.8%	5.0%
Zondi	29.1%	40.4%	25.5%	5.0%
Total	27.6%	40.7%	26.9%	4.8%

Based on the above the focus waste streams at a household level should be dry recyclables, garden waste and food waste and the strategic action plan for each is discussed below

9.1.1 Separation@Source and Diversion Programmes

9.1.1.1 Dry Waste (Roll-out of the house recycling programme in the City)

The City of Johannesburg is one of the forerunners who has rolled out its separation at source programme through its service provider Pikitup Johannesburg (SOC) Ltd. The Pikitup separation at source programme has adopted a one-bag approach that is utilized by residents for mixed recyclables in addition to the normal black bin. Recyclables are collected at the kerbside by separate caged trucks; on the same day as the normal collections of the residual waste by Pikitup. The aim of this initiative is to contribute towards Pikitup's Waste Minimization Plan and in particular its goal of diverting waste away from landfills while contributing to job creation. The S@S programme focuses on local economic development and community-driven service designed to directly build community responses to separation at source service deficits. In addition to this and in line with the NWMS the City aims to acknowledge the crucial role that is played by Waste Pickers in waste minimization.

As of July 2018, residents were then requested to separate both dry and green waste at the source. However, this report mainly focuses on dry waste. It is now mandatory for the residents in the affected areas who are currently receiving the recycling bag to place dry recyclables (paper, plastics, metal and glass) for kerbside collection by Pikitup for further processing. Affected COJ and wards are listed below:

Region	Wards where mandatory S@S for dry waste has been implemented (Review wards if S@S still taking place, and provide total number of wards per region)
A	Whole of wards 93, 112, 132 and parts of ward 92, 94, 110
B	Whole of wards 68, 69, 82, 86, 87, 88, 90 and parts of wards 98, 99, 102, 117
C	Parts of wards 44 and 89
D	Whole of wards 19, 21, 22, 24, 25, 26, 27, 28, 29, 30, 31, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 45, 46, 47, 48, 51, 52 and parts of ward 53
E	Whole of wards 32, 73, 103, 106, 109, 117 and parts of wards 74, 81, 91

F	Whole of wards 23, 54, 55, 56, 57, 65 125 and parts of wards 58, 61 and 124
G	Whole of ward 9 and parts of ward 8, 10, 119, 120, 122

The dry waste separation at source programme is implemented through a cooperative model. This cooperative model is community-based and consists of several cooperatives that offer a dry recyclables collection and sorting service to the residents with assistance from Pikitup. For some cooperatives, Pikitup provides the cooperative with a sorting facility, a collection truck a driver and recycling bags. The cooperative runs daily logistics and compiles a monthly feedback report on operations to Pikitup. Other Cooperatives are based at Pikitup garden sites and receive recyclables from community members frequenting the garden sites, these cooperatives are referred to as Small, Medium and Micro-sized Enterprises (SMMEs) in this report. Other cooperatives operate from Buy Back Centres and mostly purchase recyclables from waste pickers and the community. This model currently is implemented partially in six depots (namely Avalon, Central Camp, Marlboro, Midrand, Norwood Orange Farm, Southdale Waterval and Zondi) and there is a plan to also rollout in the Randburg, Roodepoort and Selby depots. The plan is to roll out on a smaller scale of 20 000 households for Randburg and Roodepoort, as well as Selby.

Key areas that are required to effectively support the rollout of the separation at source programme are discussed below:

9.1.1.2 Food Waste

The implementation of the Food for Waste program in the CoJ could have various positive socio-economic and environmental impacts and benefits, however, it could have some negative impacts on a bulk service delivery system in terms of practicalities and cost. For the longer-term solution covering the entire City, a balance should be sought and strived for between an efficient, modern and technically excellent collection and recovery system and a less formal system promoting job opportunities.

Food for Waste is a waste management tool aimed at reducing household waste collection backlogs, while at the same time contributing to the creation of work opportunities in order to reduce poverty. Since beneficiaries of this project receive remuneration in the form of food parcels, it also addresses food insecurity in marginalised households. The central idea is to grow seedlings to distribute to households to aid in backyard gardening (increase in food security), as well as to grow vegetables to distribute to the local community, and if feasible, to sell to fresh produce markets. The primary goal is however to ensure food security, and produce will only be sold off in the longer term once the food garden has become sustainable. The main principle is therefore to clean all illegal dumping sites located in informal settlements in the City of Johannesburg over time.

9.1.1.3 Green Waste

The aim of the green waste diversion strategy is to ensure that green waste generated within Johannesburg is diverted from landfill sites through integrated and sustainable waste management planning. The primary focus of this strategy is on green waste collected and disposed of through Pikitup's facilities such as the Garden Sites, Composting Plants, and Landfills. The strategy also seeks to align Pikitup's waste diversion efforts with those of other City of Johannesburg departments and entities. This strategy assists in enforcing direction and clear, structured planning through a common goal. The objectives of the strategy are:

- (a) Promote an enabling environment for the diversion of green waste from landfills
- (b) Provide guidance on technology selection for the processing of green waste
- (c) Identify possible opportunities for green waste beneficiation

- (d) Promote the monitoring of diversion, disposal and treatment of green waste
- (e) Provide insight into prevailing challenges of composting projects and recommended mitigation interventions
- (f) Educate and create awareness regarding composting and its benefits
- (g) Facilitate, enable and guide various levels of Public Involvement
- (h) Enable the City of Johannesburg to fulfil their obligation of diversion of organic waste from landfill

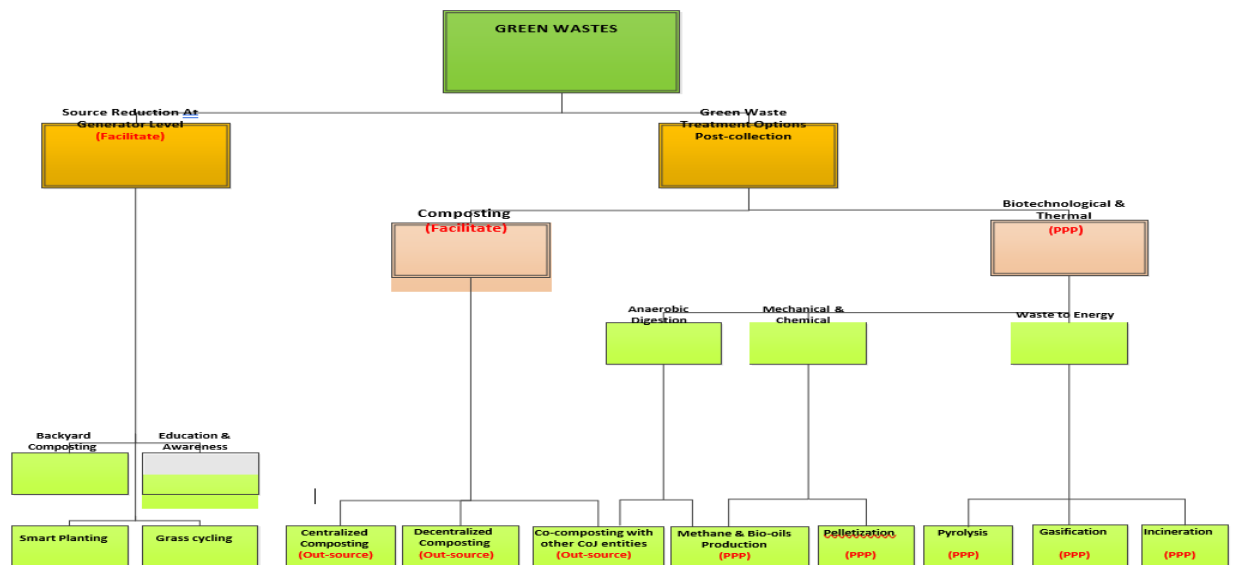
9.1.1.3.1 Strategy Guiding Principles

- (a) **Continuity:** The residents of CoJ need the certainty of service. Pikitup will thus strengthen its current infrastructure whilst at the same time ensuring new infrastructure is maintained at optimal performance levels.
- (b) **Changing Course:** Landfilling of green waste is an option of last resort.
- (c) **Sustainability:** The long-term environmental, health, social and financial impacts on the city are key considerations in pursuing alternatives to landfilling of green waste.
- (d) **Poverty alleviation & Job creation:** Pikitup recognizes its role in the development and sustenance of communities within which it operates. As such, Pikitup will engage in deliberate alternative waste treatment options that are also targeted at poverty alleviation and job creation.
- (e) **Partnerships:** The Community, the Informal sector and the Private sector are all acknowledged as vital to the effective rollout of action plans aligned with this strategy.
- (f) **Green Waste = Value:** Green waste is money

Pikitup to assume a facilitative role in complex green waste diversion programmes that are of a high-tech nature or that require a high degree of commercial acumen as follows:

- (a) **Out-source:** Pikitup provides infrastructure and let a private party / community-based organization to commercially run the facility for an agreed fee payable to Pikitup
- (b) **Public-private-partnership:** Where the Private party assumes the risk of developing, operating and maintaining the infrastructure

Various processing technologies for green waste reflect in the diagram below:



Key	Facilitate	=	Pikitup to create a conducive environment for private sector and/or community involvement through promotion activities, direct and/or indirect investment
:	Out-source	=	Pikitup to provide infrastructure and/or plant, with Private sector/community-based organizations commercially running the facility and paying for use of the facility (i.e. as a form of co-production)
	PPP	=	Pikitup to initiate public-private-partnerships where private sector assumes the risk of developing, maintaining and operating the infrastructure

9.1.1.4 Builders' Rubble Diversion

9.1.1.4.1 Infrastructure Development

One of the major objectives of separation at source is not only to save valuable airspace and conserve the environment but also to save on the costs of transporting waste to landfills. Localised buyback/sorting facilities are crucial to the successful roll-out of the separation at source initiative. By establishing localised facilities, transportation costs are cut, and economies of scale can be achieved much quicker, enhancing the financial viability of the separation at source programme. These facilities include:

- **Mobile Recycling Stations:** These are mobile recycling stations (trailers), particularly for use at events, recycling programmes, etc. Pikitup plans to investigate and identify trailers suited for procurement for this purpose.
- **Mobile Buyback Centres:** The use of mobile buyback centres (containers), to assist informal waste pickers to allow reasonable travel distances and access to buybacks. It is proposed by Pikitup to place these centres near the normal Pikitup collection round areas.
- **Manual Sorting Buyback Centres:** It is envisaged that typically, a manual sorting facility managed by a Co-op /NGO/Small business enterprise will be allocated to 20,000 to 50,000 households. Currently, Pikitup has five operation buyback centres co-owned with the City.
- **Waste Pickers Facilities:** The implementation of the Strategic Plan proposes formalising the

activities of waste pickers (in the suburbs and landfills). Creating facilities that will allow waste pickers to sort their recyclables and leave their trollies and other belongings overnight has been identified as a key need. This will enable the waste pickers to return to their families daily as there will be no need for them to sleep on the streets.

- **Large-Scale Materials Recovery Facilities (MRF):** The re-commissioning of the Robinson Deep MRF, to be upgraded as a dirty MRF, has been identified as a key strategy for receiving waste. There are a number of privately owned and operated recyclable sorting facilities within the City, receiving recyclables mainly from the commercial sector (such as shopping centres and office blocks, etc). The strategic plan proposes to establish partnerships with the private sector e.g. service providers and cooperatives.
- **Garden Site Upgrades:** Pikitup manages 42 strategically located garden sites across the City. The Recycling Strategy recognises that Garden Sites can play an important role in the implementation of the Separation at Source project. 19 garden sites have been converted into integrated waste management facilities.

9.1.1.4.2 Establishment of Partnerships

A successful and sustainable project to implement separation at source cannot be done by Pikitup alone. The involvement of established industry players, alignment of goals, shared values, creation of jobs and an approach to share and complement strategies and methodologies for the greater good of the project is essential and must be robustly pursued. Pikitup will be embarking on a process to source private operators to beef up its separation at source programme in selected areas through an open bid process. This will focus more on the high-income areas, featuring collaborations with cooperatives and waste pickers. The process will ensure that the established industry players also transfer skills and knowledge, upgrade the business skills of cooperatives and render closed-loop service as per Pikitup demands on the separation at source programme. One of the key strategic projects on S@S is discussed below:

Partnership - Pilot Program: Waste as Economic Resource

Pikitup has partnerships with the private sector, non-governmental organisations, community cooperatives, and informal waste reclaimers to scale waste management initiatives and position waste as an economic resource. Similarly, global benchmark cities such as New York City and Tokyo demonstrate the effectiveness of collaborative models, with New York leveraging waste conversion and composting partnerships, and Tokyo implementing Eco-Town initiatives and energy recovery programmes that integrate public and private stakeholders. Across these contexts, cities consistently emphasise integrated behavioral change interventions including education, enforcement, and incentive-based mechanisms alongside the development of market-oriented recycling systems, reflecting strategic alignment and shared accountability between public and private sectors.

9.1.1.4.3 Alliance to End Plastic Waste Project

The City of Johannesburg recognises that addressing plastic waste is a priority and has implemented an integrated waste management plan including infrastructure, logistics planning and separation at source initiatives. Furthermore, the Johannesburg area is a hub of recycling in South Africa (SA) processing the largest tonnage of plastics nationally. The project seeks to build an inclusive system to tackle plastic waste in Johannesburg by addressing challenges that are key to building the momentum needed to accelerate the elimination of plastic waste. This project will address the wastage of plastic resources in the rapidly developing northeastern region of Johannesburg, by:

- (a) **Supply:** Increasing collection and sorting of plastics from low- to high-income residential areas, by co-designing an integrated collection, sorting and aggregation system and associated

infrastructure, building on the strengths and resources of the municipality, the informal waste pickers (also called reclaimers), as well as formal collectors, sorters and buyback centres.

- (b) **Reducing leakage:** Developing and implementing an alternative service delivery programme in a low-income area in Johannesburg, identified as a large source of leaked plastics into the environment.
- (c) **Demand:** Developing a strategy to increase demand for recycled content in plastic packaging and products, through investment in recycling and end-market development, with concurrent mobilising of demand for recycled plastics through the private and public sectors.
- (d) **Enabling:** Increasing citizen and business engagement in the responsible use of plastics through awareness and behaviour change campaigns.

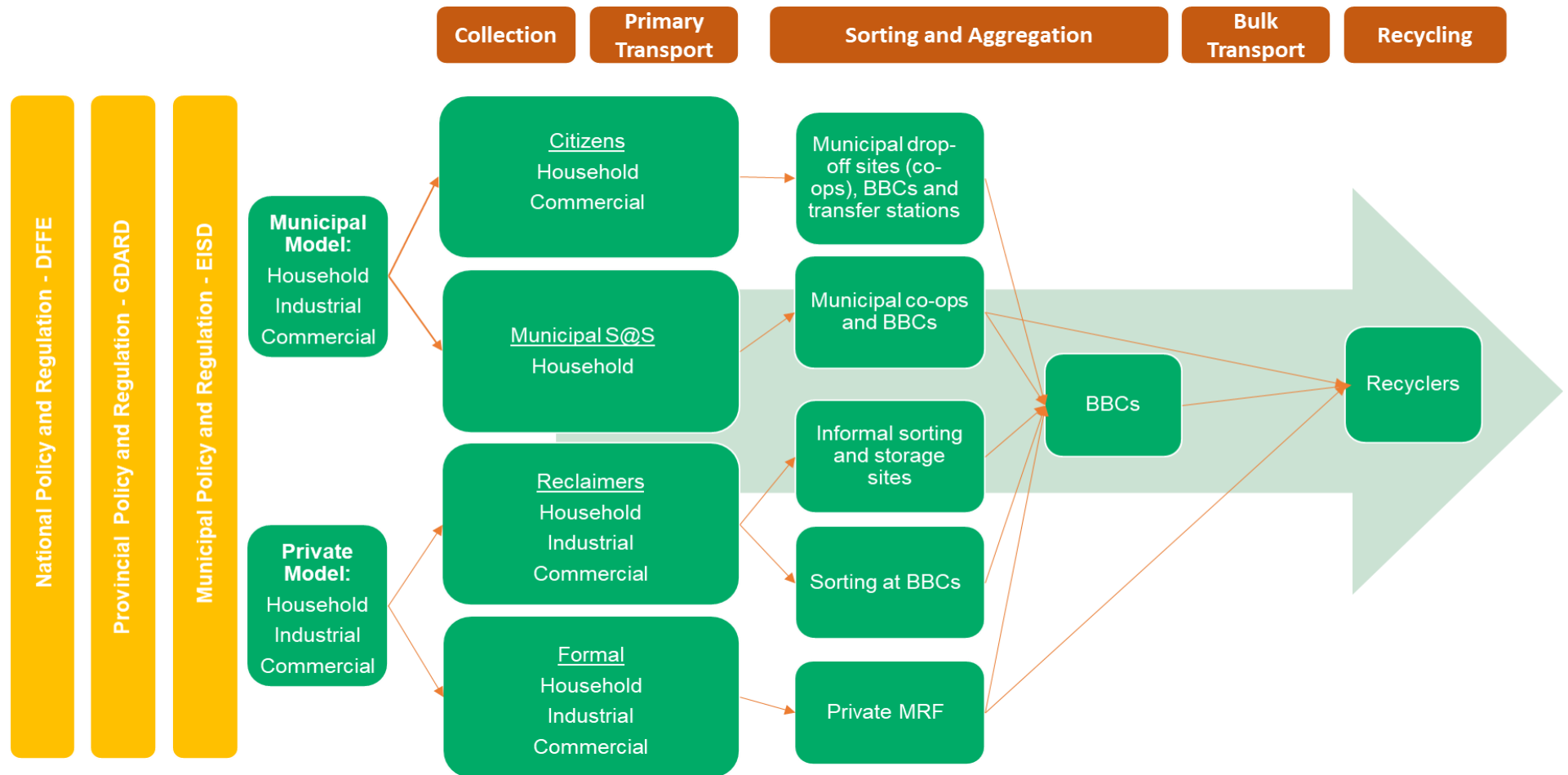
To develop a data-led approach to increasing the supply of plastics for recycling, and the demand for plastic recycling, as well as to develop specific consumer communications and behavior change interventions, the project has been split into Phase 1 – feasibility, and Phase 2 – implementation. Outcome 2 (reducing leakage) will largely be addressed in Phase 2 of the project, but data collection under Outcome 1 will inform the development of this outcome in the implementation phase.

9.1.1.4.4 Study area and approach

The north-eastern region of the City of Johannesburg is developing rapidly, typified by high-density residential areas – from high to very low income. The aggregation and disposal infrastructure to the north of the City is limited with the result that there is restricted potential for the recovery of plastics. There are also no active municipal landfills in the northern part of the city and therefore the waste logistics are quite costly.

The diagram below reflects the value chain analysis for the abovementioned project:

Figure 9.1.1.4.4.1: Value chain of stakeholder intervention in the collection, sorting and aggregation of recyclable material



9.1.1.4.5. Education and Awareness

The ultimate success of the separation at source initiative depends on the “buy-in” from the public. It will be essential therefore that a meaningful household participation rate is achieved, both initially and in the long-term order to accomplish this, effective communication, marketing and awareness education and awareness is key. According to the City of Johannesburg's Waste Management Plan Targets, the aim is to educate most of the City's residents on waste management and the importance of recycling and reducing waste. A major component of separation at source is the development and implementation of a localised marketing, communication, education and awareness programme (branded and marketed as Trash to Treasure). The main aim of the educational drive is to facilitate an increased household participation rate in separation at source.

The strategic areas are:

- (a) Support and empowerment of waste minimisation practitioners
- (b) Knowledge development and sharing of behaviour change theory and good practice
- (c) Advocacy

The goals are:

- (a) Provide professional development opportunities
- (b) Create and strengthen networks
- (c) Contribute to effective waste policy and practice
- (d) Facilitate the development, implementation and evaluation of behaviour change programmes
- (e) Enhance the knowledge base of behaviour change good practice

Figure 9.1.1.4.5.1 Marketing initiative undertaken by Pikitup for the S@S programme



A. Biodigester project

The project is implemented in partnership with EISD and entails the treatment and disposal of biodegradable waste in line with the Waste Management Strategy to avoid and minimise waste disposal by landfill and to recover energy from the waste through the generation of biofuel. The continued population growth alongside socio-economic changes has increased the need for improved mass transit as well as the waste generated within the City of Johannesburg (CoJ). The pressure on the available means of transport caused by a geometrical increase in population and migration has increased the demand and consumption of fossil fuels and their consequent environmental impact. As available landfill airspace continues to reduce, waste generated within the CoJ has to be put to better use. A biogas plant is planned to be built that will process an organic fraction of round collected refuse (RCR) and dailies (waste from restaurants) generated within the CoJ Municipality and Joburg Market's (JM) fruit and vegetable waste, discharged at Robinson deep landfill towards serving as a substitute to fossil fuel for the CoJ metro buses.

A feasibility study has been completed which includes the justification of the choice of technology, waste quantification, characterization, biochemical methane potential analysis, the energetic value of waste, preliminary design of the plant and initial cost estimate. The project has a total of four deliverables outlined below:

- (a) Separation at Source (RCR/Dailies/Restaurants).
- (b) Development of 50ton/day Biogas Plant.
- (c) Feasibility Study for Citywide biodegradable stream & development of a PPP bankable project;
- (d) Review of the Biodegradable Waste Management Strategy.

9.1.1.6 Alternative Waste Treatment Technology (AWTT) Project

CoJ initiated a project to implement alternative waste treatment technologies, envisaged to be implemented through a PPP mechanism. The AWTT Project aims to divert at least 500 000 of the 1.6 million tonnes of municipal solid waste produced in Johannesburg per annum from landfill, using one dirty Materials Recovery Facility and a Waste-to-Energy Facility, to be based at the Robinson Deep landfill site. The PPP feasibility study has been completed with TVR: I received responses from National and Provincial Treasuries and other stakeholders. The project is currently seeking an in-principal decision from the Council to proceed with the procurement of the transaction. The aim of the study was to investigate available alternative technologies for the treatment and disposal of 500 000 tons of Municipal Solid Waste (MSW) while:

- (a) Reducing the volume of waste disposed of in the City's landfill sites
- (b) Generating renewable energy and
- (c) Creating jobs from the waste sector

9.1.2 Landfill Management (Update required)

9.1.2.1 Landfill Master Plan Feasibility Study

Pikitup appointed consultants to develop a landfill master plan for all the Pikitup landfill sites. The execution of the landfill master plan would address the needs and the gaps for Pikitup for effective waste management in line with the legislation and permit conditions. The following are the recommendations for implementing this emergency diversion plan:

For each of the four Pikitup landfills under investigation, two options were considered during the development of the final landforms for the determination of the remaining airspace and subsequently, the remaining life of each of the landfills:

- (a) **Option 1:** Landfill closure license applications submitted to the regulating authorities (GDARD/DWS) for all Pikitup landfills, with a view to (after licensing) commence with operation-to-closure⁴ of the respective landfills.
- (b) **Option 2:** Landfill operations at all Pikitup's landfills continue until the respective landfills reach their licensed heights based on 1:3 side slopes or until the upper surface of the landfill becomes too small for safe landfill operations (whatever occurs first)

As can be seen from the above, under Option 1: 'Operate to closure', usable airspace at all four of the landfills has effectively been exhausted. This leaves only the less desirable Option 2: 'Operate to licensed height' open to Pikitup, should it continue disposing of waste at any or all its four landfills. The factors associated with this approach vs. the development of a mega-landfill as a public-private partnership (PPP) have been set out in the table below.

Factor for consideration	Extension of existing landfills	Development of mega-landfill as a PPP
The expected useful life of facilities	Overall, it's approximately 10 years overall.	40+ years
Estimated development costs	High development costs (est. overall total R670m ⁶ excl. land acquisition costs) in relation to the amount of airspace gained. All development costs will be for Pikitup/CoJ accounts and will be incurred over the next five to eight years during development (i.e., ~R85m to ~R135m per annum).	Pikitup will only bear the cost of site procurement and ancillary infrastructure development. Estimated at R100m over the development period (i.e., ~R15m to ~R20m per annum)
Estimated development costs per m ³ airspace created	R31.00 to R41.50 per m ³	R22.00 per m ³
Estimated closure and rehabilitation costs	Estimated at R660m overall. These costs will be borne by Pikitup and will be incurred over a period of about 20 years commencing in five years (i.e., ~R35m per annum from year six onwards)	These will be borne by the PPP partner and amortised over the 40+ year useful life of the landfill through recoupment from waste disposal fees
Estimated closure and rehabilitation costs per m ³ airspace	R31.00 to R40.50 per m ³	R23.50 per m ³
Estimated overall costs per m ³ airspace created (excl. land cost)	R62.00 to R82.00 per m ³	R45.50 per m ³

Factor for consideration	Extension of existing landfills	Development of mega-landfill as a PPP
Licensing and approval: effort and cost	Likely to involve considerable difficulty and high cost in relation to airspace gained (three or possibly four separate sites)	The chosen site is likely to be more remote and can be selected to avoid 'fatal flaws' and minimise challenges associated with IAAP
Expected time before operation	Five to eight years, assuming no major objections/difficulties	Eight to 10 years
Need for waste transfer stations	Yes: WTS will be required in the short term until the extensions are operational. They will also be required long-term after the extensions reach full capacity	Yes. Both short- and long-term.

9.1.2.2 Landfill Disposal Infrastructure Development

The infrastructure improvement projects seek to address administrative notices including compliance notices issued by GDARD. The projects listed below are at various stages as depicted below:

- (a) Recycling facilities incorporating rubble-crushing plants at the landfills will enhance waste reclamation activities off the tip face.
- (b) Ensuring a safer tip-face working environment, and promoting airspace preservation; and
- (c) Increasing landfill airspace at the Marie Louise landfill site.

Table 9.1.2.2: Landfill infrastructure projects

Site Name	Project	Progress
Ennerdale Landfill site	Rezoning and subdivision of new additional site.	A Town Planner was appointed on the 9th of August 2022 to immediately commence and finalise
Goudkoppies Landfill Site	Upgrading of a pollution control pond/dam, rehabilitation of entrance and construction of a reinforced concrete boundary wall.	The process is at SCM and the BAC is finalising the report to be presented at BEC, looking to appoint the contractor
Marie Louise Landfill Site	Upgrading of a pollution control pond/dam, rehabilitation of entrance and construction of a reinforced concrete boundary wall.	The contractor has been appointed and handed the site for him to commence with the construction.
Robinson Deep Landfill Site	Construction of concrete boundary wall, repairs of the stormwater drainage channels, construction of stormwater runoff dissipaters for erosion control and waste pickers recycling shed.	The process is at SCM, and the BAC is finalising the report to be presented at BEC, looking to appoint the contractor by the end of April 2023
Linbro Park	Construction of ablution facilities for workers, upgrading of entrance, upgrading of boundary wall, construction of sorting facility for declaimers and install high mast light.	The contractor has been appointed and the project is now on hold due to the process that needs to be followed at GDARD, capex team and the consultant are currently working on the matter

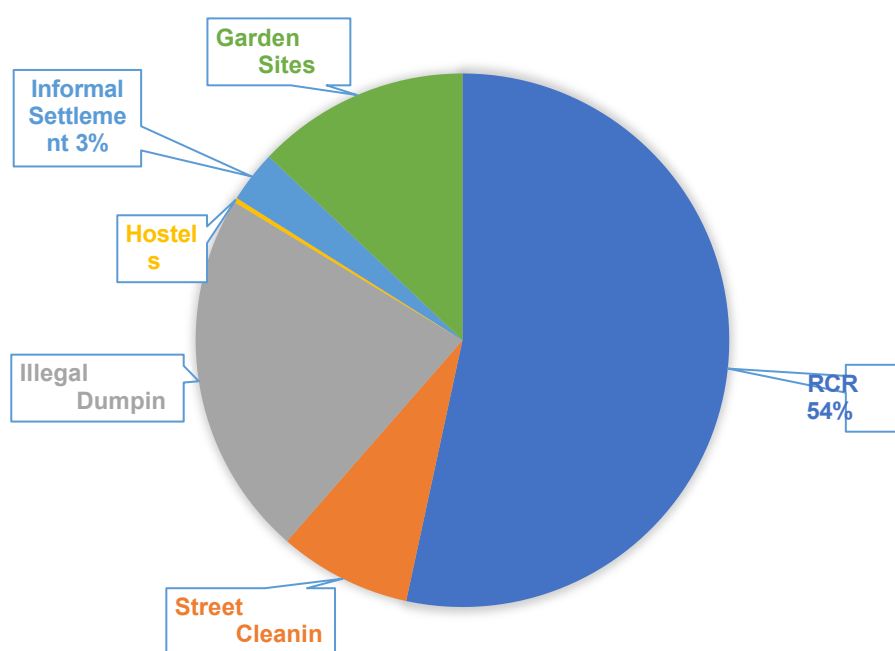
How do we shift from landfill dependency?

Pikitup prioritises Separation at Source, Alternative Waste Treatment Technologies (AWTT), waste-to-energy initiatives, composting, and recycling as key interventions to divert significant volumes of waste away from landfill. Similarly, municipalities such as Ekurhuleni, through its Zero Waste Pathway, have adopted a multi-pronged waste management approach encompassing organic waste treatment, Materials Recovery Facilities (MRFs), enhanced waste segregation, and initiatives aimed at reducing disposal-related emissions, with a targeted diversion rate of up to 65% by 2030. At an international level, cities such as Tokyo have substantially reduced landfill reliance through the integrated use of incineration and materials recovery, demonstrating viable alternatives to landfilling in high-density urban environments. In this context, Pikitup has aligned, and continues to implement, globally recognised standards and approaches that support a transition away from landfill dependency towards integrated waste diversion strategies. Collectively, these local and international practices reflect a deliberate shift towards recycling, organic waste treatment, and energy recovery, thereby promoting more sustainable, resilient, and environmentally responsible waste management systems.

9.1.3 Waste Management Services

RCR waste typically accounts for 54% of the total waste collected by Pikitup with Illegal Dumping, Garden Waste and Street Cleaning together contributing a further 43% of the total waste collected. These four collection activities thus comprise 97% of the total waste collected by Pikitup and have been identified as the priority waste collection activities for further consideration. The diagram below outlines the percentage ratio of waste tonnages handled and collected from the different Pikitup activities

Figure 9.1.3.1: Percentage of tonnages collected per operation (Update with the latest figures)



The customer-centricity of services has progressively improved over time, with delivery bolstered through the establishment of various institutional structures and systems to monitor and improve performance. The approach also recognises that in developing the desired and/or future service delivery models, revised or new options must be devised per activity. The current resources must be reviewed, i.e., fleet, plant, equipment and people to devise the ideal required resources per activity. This means outlining the indicative implementation plan with time frames to roll out the desired operating model and incorporating a monitoring plan with indicators to monitor the implementation of the desired end state.

Pikitup aims to ensure excellent and proactive service delivery through its long-term plans and targeted programmes, the provision of aligned services and enabling support. Improved service delivery is key to the establishment of a more resilient, sustainable and livable city.

To get the basics right, Pikitup remains committed to the following, all of which build on the following components:

(a) Domestic RCR and street cleaning

Pikitup is responsible for waste management and refuse removal services. The Extended Public Works Programme (EPWP) is utilised in certain areas to deliver waste removal services. Pikitup's role will be to establish the co-operatives and to provide a monitoring and oversight role. Pikitup will continue to operate in areas, and the services will be supplemented with services provided by the co-operatives.

(b) Inner City of Johannesburg

The Inner City is a key area that impacts on the perception of the company's performance. It is also acknowledged that the Inner City is a key driver for investment and economic growth and thus the highest standards of service should be implemented. To address the cleanliness levels in the Inner City, a new operational model has been developed and implemented and will continue to be refined. The plan addresses changes in the shift system, use of technology as well as stakeholder management and partnerships with key stakeholders.

The Inner City will also be the focus of the waste campaign that is aimed at changing citizen behavior. Partnerships and stakeholder involvement are the cornerstones of the successful cleaning of the Inner City.

Various solutions are to be investigated and tested including the refurbishment of the underground bins and the appointment of bin prefects to ensure these are adequately maintained and used correctly. The deployment of static compactors and skips in high-density areas will be investigated to address high volumes of waste.

Various interventions, driven by partnerships, are planned to ensure the optimisation of resources and efficiency in the way Pikitup delivers its services. Some of these interventions have already been implemented and will continue, in addition to new interventions such as:

- (i)** Implementation of a revised shift system to ensure continuous cleaning
- (ii)** Employment of additional workers to assist with cleaning in the Inner City
- (iii)** Placement of open skips in strategic locations
- (iv)** Review and make recommendations on the workability of underground bins
- (v)** A performance management system to ensure cleanliness and productivity of workers in the area
- (vi)** Plastic bags for refuse to be provided to informal traders
- (vii)** Increased number of community educators and Rangers to be deployed to engage stakeholders
- (viii)** Water tankers used to flush streets
- (ix)** Bags to be removed to the central collection point that is accessible by Pikitup trucks
- (x)** Partnerships with landowners, tenants and businesses in the Inner City strengthened.

(c) Illegal dumping

Illegal dumping is the unlawful deposit or tipping of waste where no licence or approval exists to accept such waste that – when viewed in its entirety – is greater than 200 litres (about the volume of an average household wheelie bin). Types of waste can range from bags of rubbish in public areas such as roadsides, parklands and private land to larger-scale dumping of waste including building (construction and demolition) materials, household goods, abandoned cars, scrap tyres, health-risk waste and hazardous waste. Illegal dumping does not include litter strewn on pavements or other areas.

Joburg's transformation into a world-class city begins with presenting a clean and hygienic environment to all city residents and visitors.

Littering and illegal dumping can seriously pollute the environment, potentially endanger human health and harm wildlife, affect local amenities and reduce community pride. It is also expensive for local councils, landowners, land managers and the community to clean up illegally dumped waste. Pikitup recorded 2033 illegal dumping spots and these spots are moving targets that needs to be eradicated.

The main objectives and goals for illegal dumping eradication are:

- (a) It is recognized that Pikitup alone cannot sustainably curb illegal dumping and littering – it is a collective effort.
- (b) Key among the interventions is the Developmental Service Delivery Model, wherein strategic partnerships are formed with various stakeholders such as the community, private sector, and other City departments in order to curb illegal dumping and littering.
- (c) Some of the goals of the interventions include:
 - increase awareness within the waste industry and the community of the social, environmental and economic impacts of illegal dumping
 - improve community knowledge of correct disposal options to improve ways in which waste is disposed of
 - increase opportunities for people to look after their own neighborhoods and environments
 - reinforce positive behaviors to improve legitimate waste disposal practices and change negative behaviors to reduce illegal dumping
 - increase awareness about enforcement and penalties

Desired outcomes of the interventions:

- (a) Transform of community environments into safe and clean livable areas
 - This will result in cost savings and increased efficiencies
- (b) Improve compliance with the law
- (c) Increase opportunities for people to look after their own neighborhoods and environments
- (d) Increase awareness within the waste industry and the community of the social, environmental and economic impacts of illegal dumping
- (e) Improve community knowledge of correct disposal options to improve ways in which waste is disposed of
- (f) Reinforce positive behaviors to improve legitimate waste disposal practices and change negative behaviours to reduce illegal dumping
- (g) Increase awareness about enforcement and penalties
- (h) Enhance the use of peers, social sanctioning and regulatory sanctioning to reduce illegal dumping and illegal landfilling
- (i) Discourage the local community and the industry sector from using the illegal waste industry by

identifying and communicating the risks and providing guidance on how to avoid them and increasing the competitiveness of the legal waste industry.

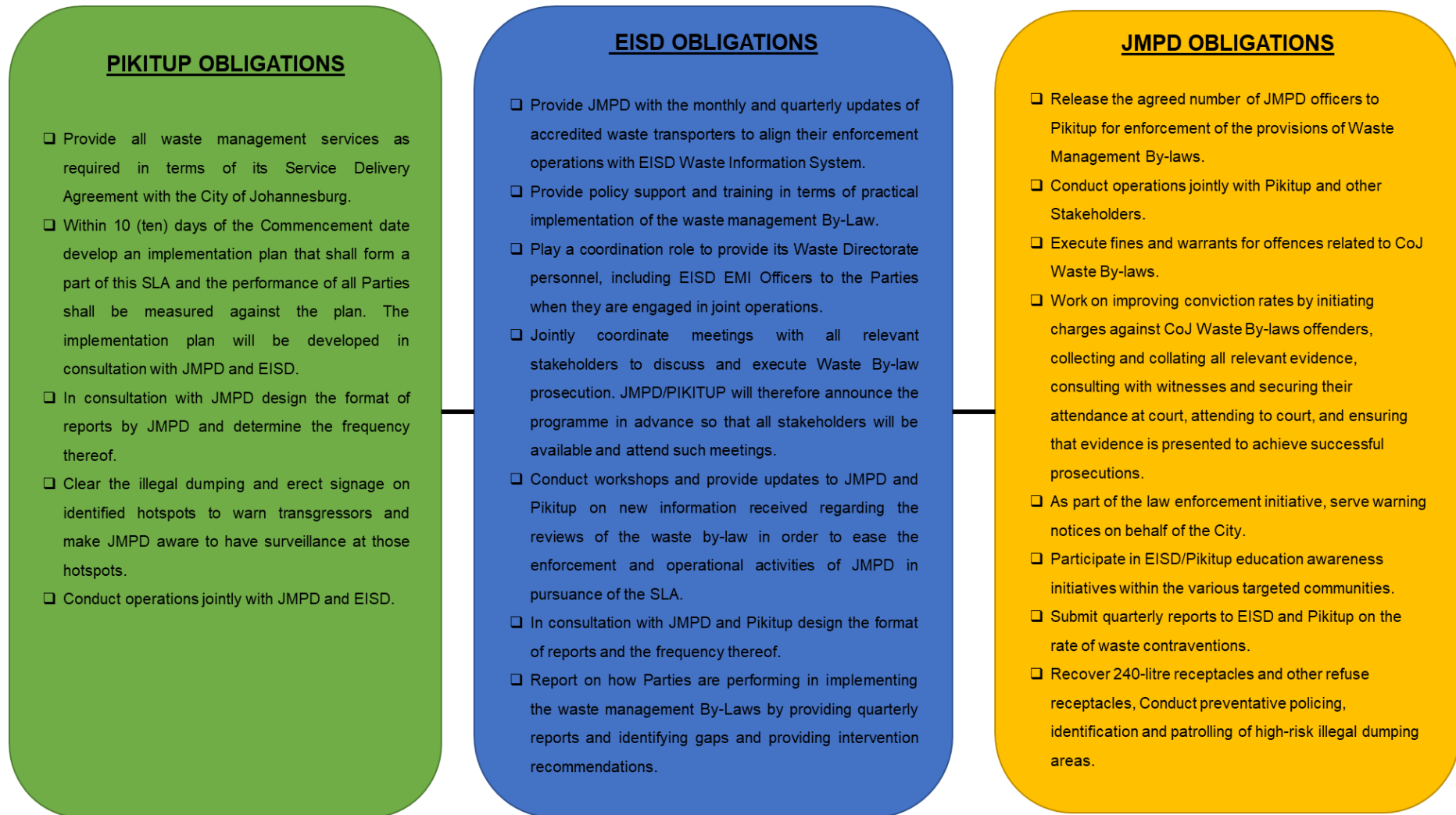
Some of the key initiatives that are needed to curb illegal dumping are:

Strategic Pillars	Proposed actions
A. Prevention Measures	▪ Relax entry requirements for bakkie brigades at landfill sites ▪ Supply the backyard dwellers with bin liners ▪ SMME Collaboration for the collection of garden waste
B. Corrective Measures	▪ Commission the idling of seven side loader bins at Central Camp for use at Garden sites ▪ Use of Geo-Location Application ▪ Accelerate the rehabilitation of illegal dumping (supported by ward-based competitions of rehabilitated sites)
C. Education & Awareness	Change Waste Handling behaviour (through education and awareness and ward-based competitions)

D. Enforcement of the waste bylaws

An SLA for the enforcement of waste bylaws has been concluded between Pikitup, Johannesburg Metropolitan Police Department (JMPD) and EISD. The parties are committed to the protection of public health and the environment from hazards associated with the illegal dumping of waste. To this end, this SLA is entered into to provide for the dedicated deployment of JMPD officers for the duration of this SLA, to enable the enforcement of the CoJ's waste management bylaws. This agreement will focus on enforcement of the bylaws, Provincial Waste Act and NEMWA so that there is proper compliance with waste management in the City. The function of each party as per the SLA is highlighted in the diagram below:

Figure 9.1.3.2: Partnership for enforcement of waste bylaws



Other key stakeholders are Update

Department/ME/Company	Role & Impact	Intervention
Central JOC	Co-ordinate inter-departmental dependencies and co-operation	Manage inter-dependencies among City departments and municipal entities By law enforcement
Environmental Health	Compliance with trading and Environmental Health by-laws. Effective management of (undeveloped) private stands	Forge relationship that will be reduced to SLA regarding by-law enforcement.
City Power	Ensure lighting in all streets; ensure removal of debris after maintenance	Good street lighting facilitate effective and safe night street cleaning. To engage on unattended debris after maintenance work
Metro Trading/JPC	Efficient and effective management of hawkers, City facilities (taxi ranks Metro Trading malls)	Manage collection of waste from taxi ranks and trading malls. Enter into co-operation in managing waste collection from street trading
City Parks	Removal of green waste and tree branches	Effective management and collection of bags and tree branches from public open spaces
JRA, Telkom, JW, Egoli Gas	Ensure timely removal of debris after maintenance work, Resurfacing lanes	Waste/debris removal immediately after maintenance work in kerbside walks to facilitate rapid street cleaning
Housing	Hostel cleaning budget be transferred to Pikitup as a rule, not exception.	Hostel Cleaning SLA signed Removal of debris and builders' rubble after construction
Joburg Property Company	Effective management of vacant public land; Illegally occupied buildings to prevent rampant dumping of waste at kerbsides and open spaces.	To commence engagement regarding the best mode of preventing illegal dumping of waste on public land and City's properties including hijacked buildings
Building Control	By-law enforcement regarding builders rubble	New waste By laws make provision for refundable deposit

Fleet procurement through the city

Pikitup has identified an ageing vehicle fleet, escalating maintenance costs and operational inefficiencies as persistent constraints that undermine collection reliability. These challenges are closely linked to limitations in budgeting, procurement processes, and asset management practices. In contrast, global cities such as New York City and Tokyo have made sustained investments in modern vehicle fleets, advanced routing analytics, and enabling technologies to enhance collection efficiency, with procurement strategies closely aligned to data systems and environmental performance targets. Across both local and international contexts, common challenges include ageing infrastructure, fiscal constraints, and the need to balance in-house capacity with outsourced procurement models. These factors have a direct impact on operational efficiency, service continuity, and the long-term sustainability of waste management services

9.1.4 Fleet Management

Pikitup collects, transports and disposes of waste daily within the geographical area of the City of Johannesburg. The fleet units that collect, transport and dispose of waste are core to the mandate of Pikitup. Due to the current fleet complement of 81 RCR vehicles, high volume of breakdowns and unreliability of the Pikitup-owned fleet, the shortfall of the fleet complement is supplemented with an average of 289 ad hoc specialised fleet units daily, the current turnaround times on the repairs of the various specialised fleet units have become challenging and this affects the availability of the Pikitup service delivery operations.

Contract renewals and procurement of the specialised fleet units still pose a challenge as the reliance is dependent on the ad hoc market to supply and deliver a service. Considerable savings can be achieved if the commitment to aggressive re-fleeting is made, and this can contribute to the financial management plan of Pikitup. This supports the view that if Pikitup can afford to operate the ad hoc hired fleet, the organisation can afford to operate a new fleet with substantial savings. The key focus areas that are proposed for fleet optimisation are listed below:

A. Training and skills development

In the past, Pikitup used to operate an in-house driver training facility, which also offered services to other CoJ entities. The driver training was stopped when services were outsourced to a contractor.

Pikitup does not currently evaluate or train drivers and operators of waste management equipment. The vehicles and equipment operated by Pikitup employees in the performance of their duties are:

- Complex to operate and of a specialised nature
- Require skilled and well-trained operators
- Dangerous and able to cause serious injury or loss of life to both the operator and bystanders if not properly and safely operated
- Expensive and sensitive to abuse
- Not readily replaceable should they be damaged.

The lack of training facilities is a risk to the business and should be addressed as a matter of urgency. South Africa is currently running short of qualified, experienced drivers and it is our responsibility to retain and train our drivers. Recent accidents in and around Johannesburg, both internally at Pikitup and with public operators, have highlighted the need for driver and operator training to mitigate the risk of accidents, serious injury and/or loss of life.

B. Fleet Bureau Centre

Fleet management can include a range of functions, such as vehicle leasing and financing, vehicle maintenance, licensing and compliance, supply chain management, accident management and subrogation, vehicle telematics (tracking and diagnostics), driver management, speed management, fuel management, health and safety management, and vehicle re-marketing.

Fleet management is a function which allows companies that rely on transportation in business to remove or minimise the risks associated with vehicle investment, improving efficiency, and productivity and reducing their overall transportation and staff costs, providing 100% compliance with government legislation and many more.

The bureau centre will manage the following from within the organisation:

- Fleet Call Centre
- 24/7 roadside assistance (dispatching the supplier)
- 24/7 breakdown and towing services (dispatching the supplier)

- Authorising all repair and maintenance quotes
- Daily workshop inspections and validation (fleet management and technical team)
- Delivery and collection of all workshop vehicles (shunter team)
- Managing the warranty repairs of each vehicle
- Traffic fine management and redirecting of infringements
- Vehicle licencing and roadworthy certification
- Vehicle accident and incident management
- Fleet planned service schedules
- Driver information management (professional driving permit and licence expiry)
- Accurate fleet reports (daily, weekly and monthly)
- Manage vehicle turnaround times at suppliers
- Live monitoring of the fleet at each depot (screens fitted in the bureau centre)
- Live availability and downtime viewing of each vehicle
- Driver behaviour monitoring and counselling (training team)

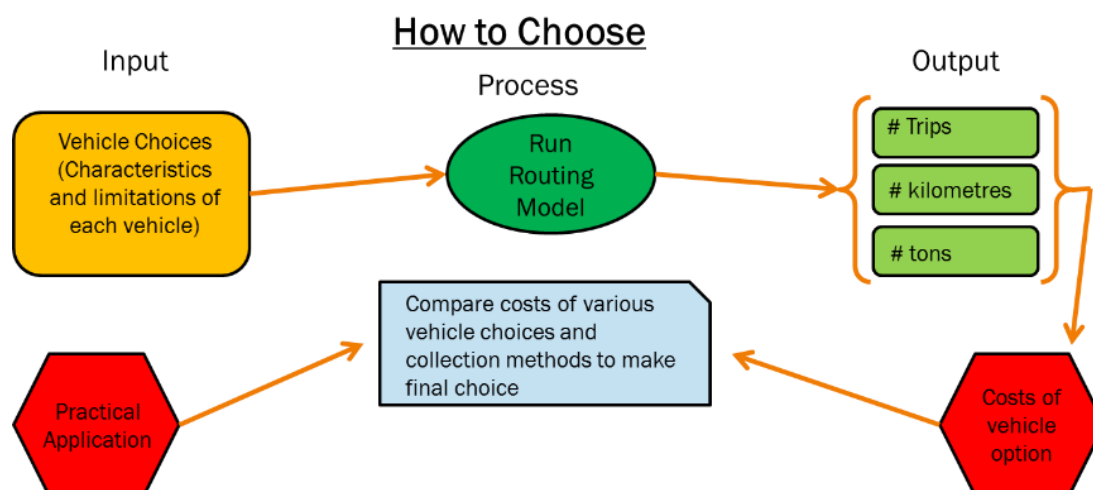
C. Fleet analysis and route optimisation

Pikitung's approach recognises that in developing desired future delivery models, revised or new options must be devised per activity. Current resources must be reviewed, including fleet, plant, equipment and people to devise the ideal required resources per activity. A critical assessment of Pikitung's current operational activities and how this assist and/or impedes the Entity's ability to move towards a paradigm shift is required. Round Collected Refuse (RCR) was identified as the area where most changes will need to be made to the fleet in the future.

The entity aims to conduct a detailed fleet and transportation economic analysis of the current Pikitung collection model. The analysis can include but is not limited to:

- Current costs vs analysed and optimised (re-engineered in line with current and planned waste minimisation initiatives) collection model costs. The comparison will consider projected CoJ growth using data from Pikitung supplemented by data from private vehicle suppliers and service providers, where possible. The fleet model will also include transfer station threshold calculations, waste modelling, and depot route optimisation to calculate the optimum fleet mix.
- Fit-for-purpose telematics devices with Internet of Things capabilities need to be identified for an integrated, connected fleet. Technology should ensure that data generated from fleet operations flows into a business information system that Pikitung staff can access and use.

Figure 9.1.4.1: Fleet optimisation route map



9.1.5 Development of an integrated monitoring platform

Pikitup currently has in relation to the proposed indicators to be used to conduct ongoing monitoring. It acknowledges the status of waste management information recording and reporting, the strengths/weaknesses of the reporting system, and the reliability of the data recorded.

The identification of the gaps within the data and the reporting process, or that information, which is reported on, is a positive step towards continual improvement. It assists with the verification of information collected, as well as highlights areas that require attention.

The review and refinement of waste management indicators will furthermore facilitate the monitoring of waste management activities within the City and allow for quantitative comparisons leading to best practice benchmarks. Although the Pikitup data recording and reporting system is effective in capturing a substantial amount of data, there appears to be certain flaws within the system.

Disposal and collection data is currently being recorded at landfill sites; however, very little information is being recorded at garden sites, drop-off facilities and buy-back centres. Waste recording at landfills and depots should continue, however, should be reviewed to align the method of data capturing to the SAWIS requirements.

Each garden site, drop-off facility and buy-back centre requires some form of recording procedure, where both incoming waste and outgoing waste are broadly categorised and weighed. As the municipal waste service provider, it is imperative that Pikitup record the most accurate information about waste volumes. An efficient and effective data recording and reporting system will ensure that consistent data is provided which is crucial for the development of the future waste minimisation strategy.

Pikitup, in partnership with the Smart City Office, is planning to pilot an integrated monitoring and reporting platform. The Smart City Office provides strategic guidance for implementing the City's priority that all departments and entities deliver services in a digitally enhanced way. A Smart City Innovation Challenge run in 2022 with the Tshimologong Innovation Precinct invited digital solutions to municipal service challenges.

- (a) accelerate service delivery,
- (b) improve the livability and safety of the City,
- (c) and enhance operational efficiencies.

Pikitup will work with one of the awardees from that challenge to build a reporting and monitoring

platform. The platform will create integrated tracking of how the organisation is performing against its strategic goals in the short, medium, and long term. The image below shows extracts from a sample dashboard produced through the Smart City Office partnership.

9.2 Past Performance (Review)

The table below reflects Pikitup's performance on the SDBIP KPIs from 2021/22 to 2023/24.

Table 9.2.1: Basic SDBIP performance from 2021/22-2023/24

KPI	2022/23	2023/24	2024/25
% of green waste diverted	0%	N/A	N/A
% of builders' rubble diverted	7%	7.4%	N/A
% of dry waste diverted through Pikitup interventions (paper, plastic, glass, cans)	10%	11%	8%
% participation rate in targeted areas where the S@S project is implemented	44%	51%	34%
% landfill compliance to GDARD regulations and permit conditions as issued by DFFE and DWS	94%	94.64%	61.05%
Tons of waste disposed at the landfill sites	N/A	N/A	1 481 847
% of waste disposed at the landfill sites	N/A	N/A	N/A
Number of formal households receiving weekly waste removal services	1 449 824	1700 000	902 802
% of formal settlements receiving weekly waste removal services	100%	100%	100%
% of Pikitup known informal settlements receiving basic removal Services.	100%	100%	100%
Number of work opportunities created through the EPWP	4 316	260	3639
Cleanliness of outer city based on street cleaning as determined by GDARD Gauteng Waste Collection Standards	Level 2	Level 2	Level 2
% capital budget spent	96%	99%	98.7%
% completion of infrastructure development plan	96%	N/A	N/A
% expenditure on SMMEs	N/A	N/A	N/A
(%) B-BBEE/SMME procurement awards	100%	100%	94%
Audit opinion obtained from Auditor-General	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified audit opinion
% Internal Audit findings closed	88%	87%	92%
% of the resolution of Auditor-General findings	91%	97%	95%
Reduction in Disabling Injury Frequency Rate (DIFR)	1.7	0.96	0.9

Service level standards

Pikitup has a list of service level standards (SLS) agreed upon with the shareholder on a yearly basis. This number has moved from eleven (11) SLS KPIs in 2019/20 to six (6) in 2022/23. The table below depicts the combined performance over the years.

Table 9.2.2: SLS performance comparison over three financial years (2022/23-2024/25).

	2022/23	2023/24	2024/25
Total number of SLS KPIs	6	6	6
Number of achieved SLS KPIs	6	6	6
Average % achievement of SLS	100%	100%	100%

Table 9.2.2 Key and minor changes

Services	2024/25	2026/27	Variance	Responsibility
SDBIP	20	22	0	Pikitup
Service Level Standards	6	6	0	Pikitup
C88 Output Indicators	5	5	0	Pikitup

- Number of SDBIP KPIs in 2025/26 are 22 compared to **26** in 2026/27
- Number of SLS KPIs 2025/26 are 6 and remain the same in 2026/27
- C88 Output Indicators – All 5 indicators to be monitored and reported on
- The City of Johannesburg Business Planning New Guidelines 2024/2025 that Includes:
- IDP/CBP community issues, Polling Satisfaction Survey, Perceptions management, Climatic Action Plan (CAP) Alignment to Business Plans

9.3 Corporate Scorecard

Table 9.3.1: 2026/27 Cooperate scorecard

GDS OUTCOME:

Provide a resilient, liveable and sustainable urban environment – underpinned by smart infrastructure supportive of a low-carbon economy

GDS OUTPUTS:

- Sustainable and integrated delivery of waste
- Climate change resilience and environmental protection

MAYORAL PRIORITY:2026/27

**Budget per project R000
Sustainable Service Delivery**

K P I N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
1	Effective and Efficient Delivery of Waste Managem ent Services	100% of Pikitup known informal settlements receiving basic removal Services.	100%	100%	100%	100%	100 %	100%	100 %	100%		252	62	62	64	64	Collection Schedule, Trip sheets, Approved List of predetermined Pikitup known informal settlement and listings schedule.	Operations	All business units	Servi ce Clust er

GDS OUTCOME:

Provide a resilient, liveable and sustainable urban environment – underpinned by smart infrastructure supportive of a low-carbon economy

GDS OUTPUTS:

- Sustainable and integrated delivery of waste
- Climate change resilience and environmental protection

MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K P I N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
2		Cleanliness levels city- wide.	Level 2	Level 2	Level 2	Level 2	Level 2	Level 2	Level 2	Level 2		1 017	25 1	25 3	25 6	25 7	Before and after photos, Listing schedule, Approved list of predetermined streets.	Operations	All business units	Servi ce Clust er
3		Cleanliness levels inner City Johannesb urg.	Level 2	Level 2	Level 2	Level 2	Level 2	Level 2	Level 2	Level 2		404	10 0	10 0	10 2	10 2	Before and after photos, Listing schedule, Approved list of predetermined streets.	Operations	All business units	Servi ce Clust er

GDS OUTCOME:

Provide a resilient, liveable and sustainable urban environment – underpinned by smart infrastructure supportive of a low-carbon economy

GDS OUTPUTS:

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- Climate change resilience and environmental protection

MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
4		% of Formal households with basic refuse removal services.	100%	100%	100%	100%	100%	100%	100%	100%		1 893	46 9	47 2	47 5	47 7	Collection Schedule, Trip sheets, Listing schedule, Land information system (LIS) Listing.	Operations	All business units	Servi ce Clust er
5		% Clearing of predetermined Illegal dumping spots.	90%	100%	100%	100%	100%	100%	100%	100%		99	24	25	25	25	Before and after photos, Listing schedule supported by list of Predetermined illegal dumping spots	Operation	All business units	Servi ce Clust er

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MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
6	Integrated waste Managem ent, waste preventio n	% Green waste diversion. (Cumulative)	3.09%	5%	7%	10%	0.5%	1.5%	3.0%	5.0%		128	32	32	32	32	Signed Report of tons diverted, listing, diversion slips/invoices.	DWPCS	All business units and other stakehold ers.	Servi ce Clust er
7		% Dry waste diverted. (Cumulative)	9.6%	6%	8%	10%	1.0%	2.5%	4%	6.0%		91	22	23	23	23	Signed Report of tons diverted, Scales listing, diversion slips.	DWPCS	All business units and other stakehold ers	Servi ce Clust er
8		% builders rubble diverted.	N/A	12%	14%	16%	12%	12%	12%	12%		16	4	4	4	4	Signed Report of tons diverted, Weighbridge slips, listing.	DWPCS	All business units and other stakehold ers	Servi ce Clust er

GDS OUTCOME:

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MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
9		% of areas where separation at source Programme is implemented.	36%	40%	42%	44%	40%	40%	40%	40%		6	2	2	2	1	Trip sheet, listing and signed list of areas.	DWPCS	All business units	Servi ce Clust er
10		Number of residents educated on Integrated Waste Manageme nt Services.	New target	350 000	400 000	450 000	87 500	87 500	87 500	87 500		3	1	1	1	1	Emails, attendance register, presentation, media reports/newspapers, twitter handle.	Communicat ions and stakeholder (CS) managemen t	All business units	Servi ce Clust er
11	Building an	% capital	77%	95%	95%	95%	20%	40%	60%	95%	310						Finance Report	PMO	All	Servi

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MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K P I N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
	Effective and Viable Waste Managem ent Company	budget expenditu re (cumulative)																business units	ce Clust er	
12		% Specific Goals (BBBEE/SM ME procuremen t awards.)	97%	30%	30%	30%	30%	30%	30%	30%		34	9	9	9	9	SCM Report	Finance	All business units	Servi ce Clust er
13		% valid invoices paid within 30 days of invoice date (Cumulative	60%	100%	100%	100%	100 %	100%	100 %	100%		15	3	3	5	4	Finance Report	Finance	All business units	Servi ce Clust er

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GDS OUTCOME:

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Sustainable Service Delivery

K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29/ Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
		).																		
14		Average landfill compliance % to permit conditions and License.	64.4%	90%	90%	95%	N/A	N/A	N/A	90%		286	69	72	72	73	External audit report	DWPCS	All business units	Servi ce Clust er
15		Audit outcome received from audit report.	Unqualif ied audit with findings	Unqualif ied audit	Unqualif ied audit	Clean Audit	N/A	N/A	N/A	Clean Audit		5	1	1	2	1	AGSA Audit Report	Finance	All business units	Servi ce Clust er
16		% resolution	95%	90%	90%	90%	0%	0%	50%	90%		525	12 9	13 1	13 2	13 3	Internal Audit Report	Internal Audit	All business	Servi ce

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GDS OUTCOME:

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GDS OUTPUTS:

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MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K P I N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
		of AGSA findings (cumulative).																units	Clust er	
17		% resolution of Internal Audit findings (cumulative).	92%	90%	90%	90%	15%	45%	75%	90%		262	64	65	66	66	Internal Audit Report	Internal Audit	All business units	Servi ce Clust er
18		Reduction of UIFW expenditure (cumulative	72%	50%	50%	50%	10%	20%	30%	50%		12	3	3	3	3	Internal Audit Report, Finance Report	Finance	All business units	Servi ce Clust er

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K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
		).																		
19		Injury on duty Factor.	0.9	≤ 2.5	≤ 2.5	≤ 2.5	≤ 2.5	≤ 2.5	≤ 2.5	≤ 2.5		3	1	1	1	1	Incident Register and SHEQ Report.	Corporate Services	All business units	Servi ce Clust er
20		Number of partnership agreements signed.	8	10	10	10	2	2	3	3		4	1	1	1	1	Signed agreements or letters	Communicat ions & Stakeholder engagement	All business units	Servi ce Clust er
21	Realisatio n of value through												1	1	1	1	Signed Registration	DWPCS	All business	Servi

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K P I N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
	waste managem ent chain	Number of waste pickers registered.	242	400	600	800	50	100	100	150		6					forms, ID, List of all registered (database),		units	ce Clust er
22		Number of job opportunitie s created.	3639	2450	5000	5000	-	-	245 0	-		39	1 0	1 0	1 0	1 0	Signed Contracts, IDs, listing.	Operation, DWPCS, PMO	CS, PMO Finance & Legal	Servi ce Clust er

GDS OUTCOME:

Provide a resilient, liveable and sustainable urban environment – underpinned by smart infrastructure supportive of a low-carbon economy

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- Climate change resilience and environmental protection

MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
23		Percenta ge functional ity of municipal weighbrid ge infrastruc ture	New	50%	50%	50 %	50 %	50 %	50 %	50 %		4	1	1	1	1	Valid calibration certificate	DWPCS	All business units	Servi ce Clust er
24		Percenta ge of landfill sites with airspace monitorin g	New	100%	100%	100 %	-	100 %	-	100 %		-	-	-	-	-	Audit reports	DWPCS	All business units	Servi ce Clust er

GDS OUTCOME:

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GDS OUTPUTS:

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MAYORAL PRIORITY:2026/27

Budget per project R000
Sustainable Service Delivery

K PI N o.	Key Performan ce Area	Key Performan ce Indicator	Baselin e 2024/25	2026/27 Target	2027/28 Target	2028/ 29 Targe t	2026/27				2026/27						Means of verification	Lead Dept/ME	Support	Clust er
							Quarterly Performance Target				Budget per projects R, 000 000									
							Q1	Q2	Q3	Q4	CAP EX	OPE X	Q 1	Q 2	Q 3	Q 4				
25		Percenta ge complian ce of waste manage ment facilities	New	50%	50%	50 %	50 %	50%	50 %	50%		32	8	8	8	8	Survey report	Ops/DWPC S	All business units	Servi ce Clust er
26		*Net Surplus/D eficit	New	break- even	break- even	-	-	-	-	-			2 6	2	1 6	8	Finance report	Finance	All business units	Servi ce Clust er

*Net Surplus/Deficit targets a balance budget.

Table 9.3.2: 2026/27 Circular 88 outcome indicators

Circular 88 Outcomes	No	IDP Performance Indicator (Outcomes)	Ref No.	Baseline (estimated Annual Performance 2021/22)	Target for (MTREF) (3 years)	Target for 2026/27 (End of Term)	Lead Department and Entities
ENV2. Minimised solid waste	9	Tons of municipal solid waste sent to landfill per capita	ENV2.1	1 040 870	3 300 000 (cumulative)	4 400 000 (cumulative)	EISD/Pikitup
ENV2.31 Minimised solid waste	5	Percentage functionality of municipal weighbridge infrastructure	ENV2.31	NEW	50%	50%	EISD/Pikitup
ENV2.32 Minimised solid waste	6	Percentage of landfill sites with airspace monitoring	ENV2.32	NEW	50%	50%	EISD/Pikitup
ENV2.33 Minimised solid waste	7	Percentage compliance of waste management facilities	ENV2.33	NEW	100%	100%	EISD/Pikitup

ENV3. Increase access to refuse removal	11	Percentage of households with basic refuse removal services or better	ENV3.1	86.2%	90%	95%	EISD/Pikitup
	12	Percentage of scheduled waste service users reporting non-collection	ENV3.2	13.8%	10%	5%	EISD/Pikitup

Table 9.3.3: 2026/27 output indicators

No	National Treasury Proposed Indicators	Ref No	2024/25	2026/27	Quarterly Targets				Total Budget		Quarterly budget				Lead Department/Entity	
			Baseline	Targets					R 000		R 000					
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4		
9	Percentage of Pikitup known informal settlements receiving basic removal services	ENV 3.11	100%	100%	100%	100%	100%	100%			212	52	53	54	54	Pikitup
20	Net Surplus /Deficit Margin for Refuse	FM7.34	break-even	break-even	-	-	-	-	-	-	26	2	16	8		Pikitup

Table 9.3.4: UISP Indicators

No	Outcome indicator	Output Indicators	REF	Baseline	2026/27 Targets	Quarterly Targets				Total Budget R'000 000	Quarterly budget				Lead Department/Entity	
2024/25						Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4	
6		Percentage of Pikitup known informal settlements receiving basic removal services		100%	100%	100%	100%	100%	100%		212	52	53	54	54	Pikitup
NB: Efforts are made to integrate C 88 KPIs with SDBIP KPIs to extend possible. Indicators 1 and 3 are framed just like C 88 indicators to align and streamline reporting																

9.4 Technical Indicator Description for KPIs

KPI No.	KPI	Short Definition	Purpose/Importance	Source/Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
1.	Percentage of Pikitup known informal settlements receiving basic removal services	The indicator tracks the proportion of known informal settlements in the metropolitan area that receive	This indicator tracks the legislated mandate of Pikitup regarding servicing of informal settlements.	Collection Schedule , Trip sheets, listing , Approved List of predetermined	Informal settlements serviced per week as percentage of total pre-determined informal settlements. Note: 207 informal settlements verified.	Manual record keeping	Measure s activities	Quarterly	100%	Continui ng without changes from the previous year.	100%	COO

		integrated refuse collection.		Pikitup known informal settlement.	Activities: Skip bins, Waste, refuse bags, Illegal dumping collections, litter pickings and distribution of bags.							
2.	Cleanliness levels city-wide	Cleanliness levels are defined as the magnitude of cleanliness in a defined area as outlined by the Gauteng Waste Photometric Standards.	This is a compliance indicator that tracks visibly that Pikitup cleans according to waste management regulatory standards.	Before and after photos, Listing schedule, Approved list of predetermined streets	Average based on predetermined street serviced per week/number of predetermined streets determined at the beginning of the financial year.	Picture quality/ resolution	Measure s activities	Non-cumulative	Quarterly	Continuing without changes from the previous year.	Level 2	COO

KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
3.	Cleanliness levels inner City Johannesburg	Cleanliness levels are defined as the magnitude of cleanliness in a defined area as outlined by the Gauteng Waste Photometric Standards.	This is a compliance indicator that tracks visibly that Pikitup cleans according to waste management regulatory standards.	Before and after photos, Listing schedule, Approved list of predetermined streets.	Average based on predetermined street serviced per week/number of predetermined streets determined at the beginning of the financial year.	Picture quality/ resolution	Measure s activities	Non-cumulative	Quarterly	Continuing without changes from the previous year.	Level 2	COO

4.	% of formal households with basic refuse removal services.	The indicator tracks the proportion of wards within the metropolitan area which are receiving integrated refuse collection.	This indicator tracks the legislated mandate of Pikitup with regard to refuse collection rounds.	Collection Schedule, Trip sheets, Land information system (LIS) and Listing.	Number of households per the land information system (LIS) as percentage of households. Note: The collection of evidence/trip sheets is based on areas where the houses/businesses are located, which translate into the households.	Manual record keeping	Measure s activities	Non-cumulative	Quarterly	Continui ng without changes from the previous year.	100%	COO
5.	% of Clearing predetermined Illegal dumping spots.	The indicator tracks the proportion of turnaround time for illegal dumping cleared within 10 days, number of spots identified or reported.	This indicator tracks the legislated mandate of Pikitup with regards waste removal and control.	Before and after photos, Listing schedule, supported by list of Predeterm ined illegal dumping spots.	All the cleared illegal dumping spots as percentage of total predetermined illegal dumping spots. Note: The collection of evidence is based on the photos of the illegal spots where the cleaning was conducted.	Manual record keeping	Measure s activities	Non-Cumulative	Quarterly	Continui ng without change from the previous year.	100%	COO
6.	% of Green waste diverted	The indicator measures %green waste and rubble diverted away from landfills. Dry waste refers to waste that can be kept for an extended period without	Waste measurement is a regulatory requirement	Signed Report of tons diverted, listing, diversion slips or invoices.	Green waste diverted as percentage of total waste disposed at landfill + green waste diverted	Weighbridg e operation	Measure s activities	Cumulative	Quarterly	New indicator	3% is calculated based on collected waste	EM: Waste Min, Disposal, Commerci al

		decomposing, such as paper, plastics, metal and glass.										
7.	% Dry waste diverted	The indicator measures %green waste diverted away from landfills.	Waste measurement is a regulatory requirement	Signed Report of tons diverted, listing, diversion slips.	Dry waste diverted as percentage of total waste disposed at landfill + dry waste diverted.	Weighbridge operation	Measure s activities	Cumulative	Quarterly	New indicator	4% is calculated based on collected waste	EM: Waste Min, Disposal, Commercial
8.	% builders rubble diverted	The indicator measures rubble diverted away from landfills.	Waste measurement is a regulatory requirement	Signed Report of tons diverted, listing, Weighbridge slips.	Builders' rubbles diverted as percentage of total waste disposed at landfill + Builders rubble not taken to the landfill	Weighbridge operation	Measure s activities	Cumulative	Quarterly	New indicator	7% is calculated based on collected waste	EM: Waste Min, Disposal, Commercial
9.	% of areas where separation at source programme is implemented.	The % of suburbs in the City where separation at source has been rolled out.	Roll out of separation at sources as legislated	Trip sheet, listing with ~~each truck registration~~ and signed list of area.	Areas where separation at source is implemented during the financial year as percentage of Total areas identified.	Dependenc y on data from third parties	Indicator is measuri ng performa nce outcome s	Cumulative	Annual	Continui ng without change from the previous year.	30%	EM: Waste Min, Disposal, Commercial

10.	Number of residents people educated about the services of Pikitup.	Educate the residents of the COJ about all the services of Pikitup to reach 300 000 people at the end of the financial year using different approaches inclusive of direct stakeholder education, media and social media platforms including direct email campaigns to residents.	Community outreach and information sharing.	Emails, attendance register, presentation, media reports/twitter handle/new papers report.	Number of the people educated.	Dependency on data from third parties	Indicator is measuring performance outcomes	Non-Cumulative	Quarterly	New indicator	300 000	Communications and stakeholder (CS) management
11.	% capital budget expenditure (Cumulative)	The indicators measure the rand value expressed as a percentage of capital budget spent on projects and renewal of infrastructure against the allocated.	Indicator is intended to track the expenditure of capital budget	Finance Report	Capex spent for the financial year as a percentage of Capex budget allocated for the financial year.	N/A	Indicator is measuring the outcome of expenditure against budget	Cumulative	Indicator reported quarterly	Continuing without change from the previous year.	96%	EM: Business Sustainability
12.	% BBBEE/SMME	SMME procurement	This indicator ensures Pikitup's	SCM Report	Awards to SMMEs made during the financial year as	N/A	Indicator is measuring	Non-cumulative	Indicator reported quarterly	Continuing without	30% per quarter	CFO

	procurement awards	spent is based on actual expenditure incurred	compliance to legislation in relation to small business development		percentage of Total awards made during the financial year.		ng the outcome of expendit ure against budget, equity			change from the previous year.		
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KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
13.	% of valid invoices paid within 30 days of invoice date/stamped.	Payment of invoices received by finance per MFMA prescripts.	Compliance with MFMA	SAP Report	Total number of invoices paid within 30 days as percentage of Total number of invoices paid.	N/A	Indicator is measuring % of valid invoices paid within 30 days from date of the invoice received.	Cumulative	Indicator reported quarterly	Continuing without change from the previous year.	100%	CFO
14.	Average percentage landfill compliance to permit conditions.	The indicator measures the four operating and closed landfill sites' % of compliance in line with their independent license and/or permit.	This is a compliance indicator that tracks compliance with environmental regulation.	Landfill Report and External audit report.	Average % of compliance as per the landfill sites based on independent audit report/ by six (6) landfill sites.	N/A	The indicator is measuring performance outcomes	Cumulative	Annual	Continuing without change from the previous year.	95%	EM: Waste Min, Disposal, Commercial
15.	Audit outcome received from AGSA audit.	Unqualified with findings; qualified with findings; adverse with findings; and disclaimed with findings. The formula for the indicator is the (1) audit opinion as defined by the	Regulatory requirement	AGSA Audit Report	AGSA audit report.	N/A	N/A	N/A	Annual	Continuing without change from the previous year.	Clean audit	CFO

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		Office of the Auditor General across a qualitative scale.										
16.	% resolution of AGSA findings.	Closure of AGSA findings	Support good governance priority	AG Audit Tracker from Internal Audit	Total AGSA audit findings resolved during the financial year/Total AGSA audit findings issued in the ~~current~~ prior financial year x100	N/A	Measures outcomes	Cumulative	Quarterly	Continues without change from the previous year.	90% completion	CFO
17.	% Resolution of Internal findings	Closure of Internal Audit (IA) findings	Support good governance priority	Internal Audit's Audit Tracker	Total internal audit findings resolved during the financial year/Total internal audit findings issued in the prior financial year x100.	N/A	Measures outcomes	Cumulative	Quarterly	Continuing without change from the previous year.	90% completion	Chief Internal Audit
18.	Reduction of UIFW expenditure	Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure	Not preventing the occurrence of UIFW expenditure goes against the zero-tolerance stance adopted by the entity and will negatively impact on the budget and further hamper service delivery.	Finance Report	Closing balance of UIFW expenditure for the ~~current~~ financial year – Closing balance of UIFW expenditure for the ~~current~~ prior financial year/Closing balance of UIFW expenditure for the previous/prior financial year.	N/A	Measures outcomes	Cumulative	Annual	Continuing without change from the previous year.	50% reduction	CFO

KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
19.	Injury on duty Factor.	DIFR is a proportional representation or indicator of the occurrence of occupational disabling injuries.	Pikitup has a large workforce, operates in a hazardous industry requiring close monitoring of health and safety standards.	Incident Register	Disabling Injury Frequency Rate (DIFR) = (No. of DIs x 200 000) divided by total man-hours worked, for the period (month, year, etc.) under review. The DIFR is a ratio related of an injury per 200 000 man-hours worked.	Dependency on incidents being reported	The indicator is measuring performance outcomes	Non-cumulative	Quarterly	Continuing without change from the previous year.	≤ 2.5	Corporate Services
20.	Number of partnership agreements signed	Establishment of partnerships that further Pikitup's mandate	Support infrastructure development, service augmentation	Signed partnership agreements from legal	Number of partnership agreements/ letters signed	N/A	Measures and outcomes	Non-cumulative	Quarterly	Continuing without change from the previous year.	10	EM: Business Sustainability
21.	Number of waste pickers registered	Indicator is in line with the NWMS	Support city cleanliness and diversion of waste away from landfills	Registration forms, ID/passport and listing.	Number of waste pickers registered during the financial year.	N/A	Measures outcomes	Non-cumulative	Quarterly	Indicator adjusted from integration to registration of waste pickers	300	EM: Waste Min, Disposal, Commercial

KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
22.	Number of job opportunities created.	Number of work opportunities created from: - Co-operatives - Capex Projects = - EPWP	Support job creation and economic development in the City	The cooperative and contractor Contracts/employee contracts and IDs of the employees	Number of jobs opportunities created during the financial year.	N/A	Indicator is measuring performance outcomes	Non - Cumulative	Annual	Continues without change from the previous year.	2450	COO
KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
23.	Percentage functionality of municipal weighbridge infrastructure	The proportion of Pikitup-operated weighbridges that are fully functional and operational during the reporting period.	Weighbridges are the primary mechanism for measuring waste tonnage received at landfill sites. Functionality directly affects the accuracy of tonnage data, revenue collection, landfill airspace accounting.	Daily weighbridge operational logs and maintenance records maintained by Pikitup Landfill Operations; Integrated Waste Management System (IWMS).	Number of functional weighbridges ÷ Total number of municipal weighbridges × 100. A weighbridge is deemed functional if it is operational, calibrated, and able to record data for the full reporting period or has a downtime not exceeding the approved threshold (e.g. <5% of operating days).	Data integrity depends on accurate logging by site operators. Does not capture partial functionality or degraded performance.	Indicator is measuring performance outcomes	Cumulative	Quarterly (reported); Monthly monitored internally	Yes	≥ 85% of weighbridges fully functional at any given time during the reporting period	EM: Waste Min, Disposal, Commercial

24.	Percentage of landfill sites with airspace monitoring	The proportion of active Pikitup landfill sites where regular airspace (remaining capacity) monitoring is being conducted and recorded during the reporting period.	Monitoring remaining airspace is essential for long-term infrastructure planning, avoiding unplanned site closures, meeting licence compliance requirements.	Topographical survey reports commissioned by Pikitup Landfill Operations; Landfill site engineers' monthly or quarterly airspace assessment records	Number of active landfill sites with documented airspace monitoring ÷ Total number of active Pikitup landfill sites × 100. A site is considered monitored if at least one validated airspace survey or volumetric assessment has been completed and recorded within the reporting quarter.	Indicator measures whether monitoring is taking place, not the adequacy of remaining airspace. Sites under rehabilitation or closure are to be excluded from the denominator.	Indicator is measuring performance outcomes	Non-cumulative	Quarterly (aligned to licence compliance reporting cycle)	Yes	100% of active landfill sites with airspace monitoring conducted per quarter	EM: Waste Min, Disposal, Commercial
25.	Percentage compliance of waste management facilities	The proportion of Pikitup waste management facilities that are compliant with applicable environmental and operational regulatory requirements during the reporting period.	Pikitup operates facilities under licences and permits issued by regulatory authorities.	Environmental Management Inspection (EMI) reports; Regulatory authority compliance notices, directives, and correspondence;	Number of waste management facilities deemed compliant ÷ Total number of operational waste management facilities × 100.	Compliance status is partly dependent on the pace of regulatory inspection visits by authorities, which are outside Pikitup's control.	Outcome / Compliance	Non-cumulative	Quarterly	Yes	100% of waste management facilities fully compliant per reporting period, with year-on-year improvement trajectory	EM: Waste Min, Disposal, Commercial and COO.
26.	Net Surplus / Deficit	The net financial result of Pikitup's operations for the reporting period, being the difference between total revenue and total operating	The net surplus or deficit is the primary indicator of Pikitup's overall financial health and	Bi-annual management accounts (Income Statement); Audited Interim Financial Statements;	Net Surplus / (Deficit) = Total Revenue minus Total Operating Expenditure. The result is compared against the approved budgeted net position for the	Non-cash items (depreciation, impairments, provisions) can significantly affect the reported net position without impacting cash	Outcome / Financial	Cumulative (year-to-date at mid-year and year-end)	Bi-annual: Mid-Year Report and Year-End Report. Annual result included in	No	Achieve a neutral to positive net position (surplus) in line with the approved annual budget..	Chief Financial Officer (CFO); General Manager: Finance

		expenditure, compared against the budgeted net position.	long-term viability as a municipal entity.	SDBIP financial performance reports (mid-year and year-end).	same period.	flow. The net position is sensitive to the timing of the CoJ operating grant, which is the largest single revenue item. Year-end accruals and audit adjustments may alter the reported surplus or deficit materially.			the Audited Annual Financial Statements and Annual Report.			
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9.5 Service Standards Charter

Table 9.5.1: Service level standards

KPI No.	Key Performance Indicator	Service Level Agreement	Baseline 2021/22	2025/26	2026/27	2027/28	2025/26					2025/26				Means of verification	
				Target	Target	Target	Quarterly Performance projects R Target				Budget per						
							Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3		Q4
1	% collection of refuse bags on the curbside	48 hours	98%	90%	90%	90%	90%	90%	90%	90%		91	232	238	238	238	Street cleaning schedule, Listing schedule, Predetermined Streets listing, before and after pictures (colour or black & white),

2	% of Pikitup known informal settlements receiving basic removal services	Daily (7 days SLA)	100%	90%	90%	90%	90%	90%	90%	90%	186	45	46	47	48	Informal settlement list, Listing schedule and collection schedule
3	% Resolution of complaints	7 days	92%	85%	85%	85%	85%	85%	85%	85%	n/a	Included in numbers 1, 2 and 4's budget				CSD report/CRM
4	% of cleaning of illegal dumping spot	10 days	96%	85%	85%	85%	85%	85%	85%	85%	91	22	23	23	23	Predetermined Illegal Dumping list, trip sheets and collection schedule
5	Removal of animal carcasses	48 hours	100%	100%	100%	100%	100%	100%	100%	100%	n/a	Included in numbers 1, 2 and 4's budget				Trip sheet and Listing
6	Delivery of new or replacement wheelie bins (240l) ordered By a customer	7 days	91%	85%	85%	85%	85%	85%	85%	85%	26	5	5	5	6	Bin delivery report

9.6 Technical Indicator description for SLS

KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
1.	Collection of refuse bags on the curbside	The indicator tracks the collection of waste from the curbside.	This indicator tracks the legislated mandate of Pikitup with regard to refuse collection on the curbside.	Trip sheet and listing schedule	Number of trip sheets with refuse bag calculated against the total number of street cleaning trip sheets	Manual record keeping	Measure s activities	Non-cumulative	Quarterly	Continuing without change from the previous year.	90%	Operations
2.	Informal settlements provided with waste management services	The indicator tracks the proportion of recognised informal settlements in the metropolitan area that receive the integrated refuse collection and cleaning services.	This indicator tracks the legislated mandate of Pikitup regarding servicing of informal settlements	Informal settlement listing and trip sheets	Number of trip sheets calculated against the identified number of informal households	Manual record keeping	Measure s activities	Non-cumulative	Quarterly	Continuing without change from the previous year.	100%	Operations

KPI No.	KPI	Short Definition	Purpose/ Importance	Source/ Collection of Data	Method of Calculation	Data Limitation	Type of Indicator	Calculation Type	Reporting Cycle	New Indicator	Desired Performance	Indicator Responsibility
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3.	Resolution of complaints	The indicator tracks the proportion of turnaround time for complaints resolved within seven working days of logged calls	This indicator tracks the legislated mandate of Pikitup with regard to customer complaints resolved within required time	Call centre report/CRM, CSD	Number of complaints resolved	Call backlogs	Measure s activities	Cumulative	Quarterly	Continuing without change from the previous year.	85%	Operations
4.	% clearing of illegal dumping spots	The indicator tracks the proportion of turnaround time for illegal dumping cleared within 10 days, number of spots identified or reported.	This indicator tracks the legislated mandate of Pikitup with regards waste removal and control	Listing of predetermined spots, photos and listings	Number of predetermined illegal dumping spots linked to trip sheets	Manual record keeping	Measure s activities	Cumulative	Quarterly	Continuing without change from the previous year.	85%	Operations
5.	Removal of animal carcasses	The indicator tracks the proportion of animal carcasses removed within the metropolitan area which are receiving integrated refuse collection and cleaning services.	This indicator tracks the legislated mandate of Pikitup with regards waste removal and control	Trip sheet and listings	Number of reported carcasses removed within 48 hours	Manual record keeping	Measure s activities	Cumulative	Quarterly	Continuing without change from the previous year.	100%	Operations

6.	Delivery of new or replacement wheelie bins (240ℓ) ordered by a customer	The indicator tracks the delivery and number of customers in the metropolitan area that receive the integrated refuse collection and cleaning services.	This is a compliance indicator that tracks visibly Pikitup delivery of new or replacement wheelie bins (240ℓ) ordered by a customer	Call Centre report/CRM, CSD	Based on the number of requests delivered against the number of request made by customers.	Manual record keeping	Measure activities	Non-cumulative	Quarterly	Continuing without change from the previous year.	85%	Operations
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Section 10: Financial Impact

In the past financial year, financial sustainability and clean governance goal are one of the critical areas in steering Pikitup towards achieving its objectives. Revenue was ahead of expectation due to a continuing project to ensure that all domestic customers are billed correctly; however, expenditure was higher than anticipated due to the increased requirement for debt impairment provisions. The revenue collection levels continued to be under pressure. However, there are regular engagements with the Revenue and Shared Service Centre to assess and implement measures which aim to improve this area. Despite these challenges, Pikitup completed the financial year with cash in the bank.

10.1 Financial Performance

Table 10.1.1: High-level budget summary

Overall Budget (R000)	Approved Budget 2025/26	Change	Revised Budget 2025/26	Change	Change	Budget 2026/27	Change	2027/28	Change	2028/29
Revenue (excl. capital grants)	3 469 359	14 530	3 483 889	187 693	5.41%	3 671 582	5.49%	3 873 188	5.29%	4 078 257
Internal revenue	1 195 477	608 451	1 803 928	140 290	11.74%	1 944 218	3.34%	2 009 058	4.57%	2 100 812
Total Operating Revenue	4 664 836	622 981	5 287 817	327 983	7.03%	5 615 800	4.74%	5 882 246	5.05%	6 179 069
Expenditure	4 462 115	622 981	5 085 096	320 053	7.17%	5 405 149	4.77%	5 663 217	5.11%	5 952 380
Internal expenditure	202 721	5 085 096	5 287 817	5 213 354	2571.69%	74 463	194.14%	219 029	3.50%	226 689
Taxation	-	-	-	-	0.00%	-	0.00%	-	0.00%	-
Total Operating Expenditure	4 664 836	5 708 077	10 372 913	-4 893 301	-104.90%	5 479 612	7.35%	5 882 246	5.05%	6 179 069
Capital Budget	309 645	-0	309 645	104 952	33.9%	414 597	18.2%	489 920	290.4%	1 912 450

Year-to-date Performance	Budget 2025/26 R000	Actual 2025 31-Dec R000	% spent
Revenue (excl. capital grants)	3 469 359	1 753 897	50.55%
Internal revenue	1 195 477	597 739	50.00%
Total Operating Revenue	4 664 836	2 351 635	50.41%
Expenditure	4 462 115	2 436 868	54.61%
Internal expenditure	202 721	24 245	11.96%
Taxation	-	0	0.00%
Total Operating Expenditure	4 664 836	2 461 113	52.76%
Capital Budget	309 645	83 555	26.98%

Financial sustainability

The entity's payment levels closed at 59.0% (December 2025 YTD), a significant decrease from 62.5% (prior financial year), which raises serious concern. There is a need to strengthen the credit control measures in

collaboration with the shareholder to ensure cash flow remains viable. There have also been financial constraints imposed by the shareholder on the entity through the delay in the allocation of funds. This has led to the payment of service providers increasing well over the 30-day payment requirement – resulting in Pikitup being non-compliant with Treasury Regulation 8.2.3. Budget constraints also affect service delivery tremendously, such as City cleanliness, resulting in customer complaints. The unbudgeted long-term costs that were imposed on the entity in prior and current financial years have had a significant impact on its financial stability and contributed to over-expenditure.

10.2 Operational Expenditure Budget

Table 10.2.1: Pikitup operational expenditure budget

Statement of Financial Performance	2024/25	2025/26			2026/27			2027/28			2028/29
	Prelim	Original	Proposed	Variance	Approved	Proposed	Variance	Approved	Proposed	Variance	Proposed
	Actual	Approved	Revised		Budget	Budget		Budget	Budget		Budget
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Commercial	376 224	350 134	378 135	28 001	366 239	394 446	28 207	382 722	411 888	29 166	429 315
Domestic	2 568 154	2 723 810	2 715 040	- 8 770	2 903 956	2 867 083	- 36 873	3 093 100	3 030 507	- 62 593	3 197 185
City Cleaning Levy	276 913	263 466	263 466	-	280 856	278 220	- 2 636	299 112	294 078	- 5 034	310 252
Interest on Outstanding Debtors	67 276	70 233	55 532	- 14 701	74 447	57 531	- 16 916	78 915	59 660	- 19 255	61 749
Other Income	3 863	3 447	3 447	-	3 670	3 575	- 95	3 902	3 711	- 191	3 845
Grant Income	139 417	-	-	-	-	-	-	-	-	-	-
Interest Earned on Sweeping Account	86 671	58 269	68 269	10 000	61 532	70 727	9 195	64 916	73 344	8 428	75 911
CoJ Service Fee	1 220 672	1 195 477	1 803 928	608 451	1 140 794	1 944 218	803 424	1 122 510	2 009 058	886 548	2 100 812
Total Income	4 739 189	4 664 836	5 287 817	622 981	4 831 494	5 615 800	784 306	5 045 177	5 882 246	837 069	6 179 069
Staff Costs	1 826 393	1 884 808	2 092 240	207 432	1 985 848	2 268 565	282 717	2 075 444	2 373 802	298 358	2 506 402
Provision for Bad Debt	899 030	830 777	953 276	122 499	865 745	1 006 657	140 912	900 985	1 064 036	163 051	1 122 558
Depreciation	101 056	104 462	118 101	13 639	109 267	122 353	13 086	114 181	126 879	12 698	131 319
Repairs and Maintenance	7 455	13 054	13 054	-	13 653	13 521	- 132	14 263	14 029	- 234	14 521
Fleet	1 193 566	997 992	1 186 461	188 469	995 883	1 245 781	249 898	1 040 497	1 308 073	267 576	1 373 483
Third Party Contractors	372 285	222 031	301 510	79 479	226 407	312 361	85 954	236 581	323 917	87 336	335 252
Other Expenses	269 799	408 991	420 454	11 463	422 751	435 911	13 160	441 762	452 481	10 719	468 845
Interest Paid	121 143	131 458	131 458	-	137 477	136 188	- 1 289	143 663	141 228	- 2 435	146 168
Intercompany Costs	93 291	71 263	71 263	-	74 463	74 463	-	77 801	77 801	-	80 521
Total Overheads	4 884 018	4 664 836	5 287 817	622 981	4 831 494	5 615 800	784 306	5 045 177	5 882 246	837 069	6 179 069
Surplus/(Deficit)	- 144 828	-	-	-	-	-	-	-	-	-	-
% Increase		13.35%			16.23%			16.59%			5.05%

- The original approved budget in the table above is the budget approved by Council in the prior budget process.
- The proposed revised 2025/26 mid-year adjustment budget in the table above is the budget submitted to the City in November 2025.
- The proposed revised budget for 2026/27 to 2028/29 is the MTEF budget that balances back to the indicatives provided by the CoJ.

Budget Summary 2025/26 financial year

- The 2025/26 mid-year adjustments and 2026/27 MTREF reflect the financial pressure the entity is under — driven primarily by the PFA, rising fleet costs, landfill closures, and escalating debt impairment.
- Overall, the total revenue and expenditure budget increased by R 623 million (2025/26) and R 784 million (2026/27) for the financial years respectively, aligning Pikitup's budget with the City's requirement for a zero-surplus balanced budget principle.

Revenue Budget

- Commercial Revenue increased by R28m from R 350m to R 378m with budget movements between the various Commercial Revenue Streams.
- The outlook for commercial services is impacted by the negative sentiment in the market due to poor trading conditions.
- Critical vacancies must be filled to protect and expand commercial income, particularly in billing, customer engagement, and sales.
- Newly delivered refuse compactors will support commercial operations by improving service reliability and reducing ad-hoc hire costs.
- Load-shedding continues to have a lasting effect on small business customers, delaying full revenue recovery.
- The budget for Interest on outstanding debt decreased by R17m. It should also be noted that this revenue is not always recoverable as the interest is usually written off and used as a bargaining tool to get customers to pay.
- Significant increase in indigent registrations reduces collectible revenue.
- Revenue excluding subsidy decreases in 2026/27 due to indigent expansion, despite tariff adjustments.
- The budget for Interest earned on the sweeping account increased by R10m. Pikitup will earn interest on a positive cash balance. The City is not making sufficient funds available to pay suppliers, which will result in an increased cash balance reported for the entity.
- The proposed increase in the City subsidy is R608m in 2025/26 and R803 for 2026/27.
- The Subsidy (Service fee) is received from the City to fund non-income generating services performed by Pikitup for example, cleaning of Illegal dumping, garden sites, street cleaning, etc.
- The subsidy is calculated to ensure budget balance at zero surplus, as required by the city.

Expenditure Budget

- The budget for Staff Costs increased by R 207m in the 2025/26 financial year mainly due to the implementation of the Politically Facilitated Agreement (PFA).
- The PFA payments to all staff with service of over a year were implemented for grades A to D at an annual cost of R144m. This figure was not included in the budget.
- Stricter controls are essential to ensure planned overtime is better controlled and to limit the growth in overtime year-on-year, however payout for PFA will have an impact on overtime budget.
- Several senior management vacancies have been filled. Filling the remaining critical posts will cost R6.4 million in 2025/26 and R26.7 million in 2026/27.
- Natural attrition — approximately 180 staff per year — is a real and ongoing pressure that reduces Pikitup's service delivery capacity in a growing city.
- Pikitup plans to appoint 600 entry-level (A1) workers to offset attrition losses accumulated over recent years, at a cost of R52 million for six months in 2025/26 and R102 million for a full year in 2026/27.
- Pikitup is a labor-intensive company with the budget for Staff costs being 40% of the total budget.
- Based on the Debt Impairment requirement in the prior financial year the contribution to bad debts increased. (Collection levels remain low at 66.3% for the 2024/25 calendar period, with growing household affordability constraints and High-risk factors include: Economic recessionary pressure, Increased liquidations and 3-year non-payer accounts, Rising cost of living (fuel, interest rates, electricity etc.)
- The impairment budget increases accordingly across the MTREF.
- There is a drive in the City to collect outstanding debt, Pikitup is assisting with this initiative which has produced positive results.
- The reduction in disposable income from households due to the increase in interest rates, high fuel prices and high electricity costs contributed to the increase in impairment costs.
- Many residents are struggling to pay for service, and this is evident in the increase in the budget required for bad debts over the last four financial years.
- Fleet costs continue to escalate due to:
 - i. Aging fleet and insufficient replacement cycles (Average fleet age: 1–12 years, with 25 units

- due for disposal.)
- ii. Ad-hoc vehicle hire contracts increasing by 5% annually
- iii. Additional kilometers travelled will require more budget for fuel as landfills due to landfills closures.
- iv. Insufficient funding for new fleet procurement drives reliance on high-cost leased vehicles.
- v. Growth in households of 107 126 new properties added (Oct 2024–Aug 2025) require 89 additional compactors, translating into a potential R236m additional annual fleet impact.

The budget includes funding for the following:

- a) PFA increases that were approved and implemented by the City from July 2025.
- b) Vacancies
- c) Extra funding for Bad Debts and Depreciation (non-cash budget items) is in line with the current trends for both line items.
- d) Additional budget for Landfill rehabilitation.
- e) Additional budge for fleet expenses due to growth in the City.
- f) Increased fuel and third-party contractor costs (Multiple landfill closures increase distances to disposal points, escalating fuel, overtime, and fleet wear.)

The 2026/27 budget reflects a highly pressured financial environment that requires deliberate trade-offs, tight cost management, and more aggressive revenue strategies. Despite these pressures, the budget is designed to:

- a) Protect core waste collection and cleansing services
- b) Address staffing shortages and PFA impacts
- c) Stabilise fleet availability
- d) Improve compliance at landfill and facilities sites
- e) Strengthen commercial revenue streams
- f) Mitigate rising impairment and indigent growth

Pikitup's financial sustainability over the MTREF depends heavily on fleet rationalisation, improved credit control, operational efficiencies, and continued subsidy support from the CoJ.

The 30-day payment timelines and the compliance process

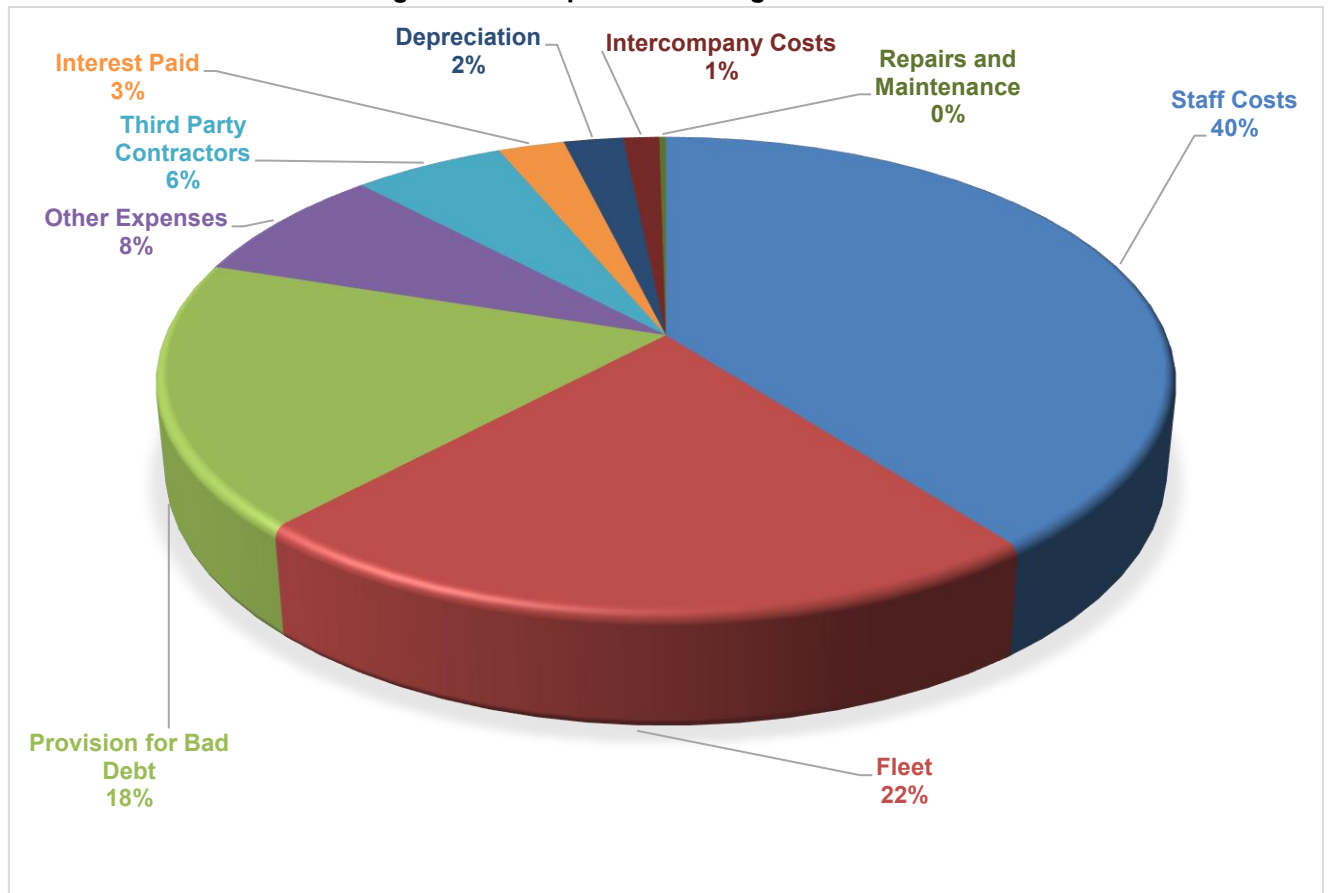
Thirty-day payment timelines refer to the statutory and policy-driven requirement that an institution must settle valid supplier invoices within 30 calendar days from the date of receipt of a correctly submitted invoice, or from the date on which the goods or services are delivered, whichever occurs later.

The compliance process for managing and monitoring adherence to the 30-day payment requirement typically includes the following stages:

- **Invoice Receipt and Verification:** Receipt of a compliant invoice in line with Supply Chain Management (SCM) and financial requirements, and verification that goods or services were delivered in accordance with contractual terms.
- **Invoice Capture and Approval:** Capturing the invoice on the financial system and obtaining approval from relevant budget holders and finance officials.
- **Payment Processing:** Scheduling and releasing payment within the prescribed 30-day period, with ongoing monitoring of invoice ageing to ensure compliance.

In the case of Pikitup, adherence to the 30-day payment timelines is impacted by the sweeping arrangement with the City, whereby funding for day-to-day operational expenses, including payments to service providers, must be requested from the City. This dependency affects payment turnaround times, despite internal processes being aligned with statutory requirements.

Figure 10.2.1: Operational budget 2026/27



10.3 Capital Expenditure Budget

PROJECT NAME - CAPITAL BUDGET	Approved Budget 2025/26 R'000	Proposed Budget 2025/26 R'000	Approved Budget 2026/27 R'000	Proposed Budget 2026/27 R'000	Approved Budget 2027/28 R'000	Proposed Budget 2027/28 R'000	Proposed Budget 2028/29 R'000
Summary:							
Depot Facilities	85 236	60 000	38 086	72 986	63 442	63 442	80 000
Fleet	10 000	10 000	7 000	7 000	47 688	47 688	152 567
Plant and Equipment							
Landfills	142 666	167 902	112 700	165 488	107 083	107 083	396 513
MRF	0	0	57 000	0	49 955	49 955	91 828
Buyback, Sorting and drop-off facilities	63 148	63 148	191 811	161 123	212 253	212 253	334 255
Construction of Integrated Waste Management facilities (IWMF)							
Land acquisition	0	0	3 000	3 000	3 000	3 000	26 000
Other (ICT, Office Equipment, Bulk Bins etc.)	8 595	8 595	5 000	5 000	6 500	6 500	41 137
Compost Plants							
Total	309 645	309 645	414 597	414 597	489 921	489 921	1 122 300
Total Approved Budget	309 645	309 645	414 597	414 597	489 921	489 921	1 122 300
Source of Funding - CoJ Loan	260 050	260 050	198 615	198 615	301 288	301 288	
Source of Funding - USDG Grant	49 595	49 595	215 982	215 982	188 632	188 632	

The medium-term capital budget for 2024/25, 2025/26, and 2026/27 are R254.994m, R337.050m and R500.00m respectively, as detailed in the table below.

PROJECT NAME	Project Number s	APPROVED BUDGET 2024/25 R'000	PROPOSED BUDGET 2024/25 R'000	APPROVED BUDGET 2025/26 R'000	PROPOSED BUDGET 2025/26 R'000	APPROVED BUDGET 2026/27 R'000	ADJUSTED BUDGET 2026/27 R'000
Marie Louise Landfill site-improved compliance and alterations	2192	44 704	44 704	10 000	25 764	5 296	5 296
Marie Louise Acquisition of land opposite the existing landfill site	31071	-	-	-	-	12 000	5 000
Marie Louise Material Recovery Facility	21658	-	-	-	-	51 444	58 444
Robinson Deep landfill site improved compliance, alterations and cell development	2742	48 000	48 000	73 050	73 050	39 800	43 500
Acquisition of land in Robinson Deep 81-Ir Ophirton	31072	-	-	-	-	3 700	-
Goudkoppies Landfill site- improved compliance and alterations	2773	36 790	30 000	10 000	10 000	5 000	5 000
Kya Sands landfill site-improved compliance and alterations	2783	-	-	10 000	10 000	500	500

Construction of IWMF (Material Recovery Facility (MRF) Transfer Station including drop-off) at Kya Sands Landfill Site.	31088	-	-	-	-	49 192	49 192
Linbro Park landfill site-improved compliance and alterations	3257	20 000	20 000	35 000	35 000	2 000	2 000
Linbro Park IWMF ((Material Recovery Facility (MRF) Transfer Station including drop-off)	21664	-	-	-	-	50 148	50 148
Ennerdale Landfill site-improved compliance, alterations and cell development	22424	10 000	16 790	10 000	40 000	53 000	53 000
Facilities renewal upgrades including branding and signage	2667	50 000	35 000	20 000	15 000	24 390	24 390
Upgrading of garden sites to drop-off centres	2740	10 000	10 000	30 000	30 000	23 200	23 200
Construction of a new integrated waste management facility at Florida .	31074	-				22 700	22 700
Alexandra Integrated waste management facility (Mveletso&Lesedi)	31089	-				12 369	12 369
Construction of a new integrated waste management facility at Sandpark (Kya Sand drop off).	31079	-				40 100	40 100
Upgrading of Meredale Garden Site into an integrated waste management facility.	31078	-				8 476	8 476
Upgrading of Ballyclare Garden Site into an integrated waste management facility.	31075	-	-	-	-	9 389	9 389
Upgrading of Woodmead Garden Site into an integrated waste management facility.	31077	-	-	-	-	3 600	3 600
Upgrading and engineering services at Selby depot	23296	5 000	5 000	20 000	4 236	-	-
Upgrading and engineering services at Midrand depot	24039	5 000	10 000	42 000	42 000	-	-

Construction upgrading and engineering services of Roodepoort Depot	23297	-	-	21 000	21 000	6 530	6 530
New Fleet (RCR compactors)	23923	15 000	15 000	45 000	15 000	40 000	40 000
Construction of a boundary wall, 450 seater hall, and minor refurbishments at Zondi Depot.	23298	-	-	-	5 000	8 499	8 499
Construction of a boundary wall, minor refurbishments of admin offices and wash bay at Orange Farm Depot.	23300	-	-	-	-	5 000	5 000
Construction of a new guard house, upgrading of office and a 450 seater hall, ablution facilities, at Norwood Depot.	31073	-	-	-	-	17 667	17 667
Waste bulk bins (Waste Receptacles)	2188	5 000	10 000	1 000	1 000	1 000	1 000
ICT hardware and software	2194	5 000	10 000	5 000	5 000	5 000	5 000
Office equipment	6413	500	500	5 000	5 000	-	-
Total approved budget		254 994	254 994	337 050	337 050	500 000	500 000

The following main projects are planned for the three year budget process:

(a) Facilities to facilitate separation at source city-wide and new waste collection city-wide

'Phase 2 appointment of Contractor for construction of a boundary wall, paving, water, sewer, and electricity supply connection at Bellona Drop off center. The Consulting Engineers are managing the construction; the project is at 90% in progress. The project was delayed due to late payment and has been extended by 2 months to allow the contractor to complete the outstanding work.

(b) Construction and engineering services at Selby Depot

The contractor took charge of the site on 1 June 2023 and completed 90% of the project. The project experienced delays due to late payment and has been extended by two months to allow the contractor to finish the remaining work.

(c) New fleet

The procurement of a new fleet will be acquired through a transversal contract. The process is expected to begin in April 2024.

(d) Marie Louise Landfill site - improved compliance and alterations

The construction work commenced on 1 March 2023. As of 31 October 2023, the on-site progress was at 45%. However, the Contractor terminated the contract on the same day due to non-payment for the work done.

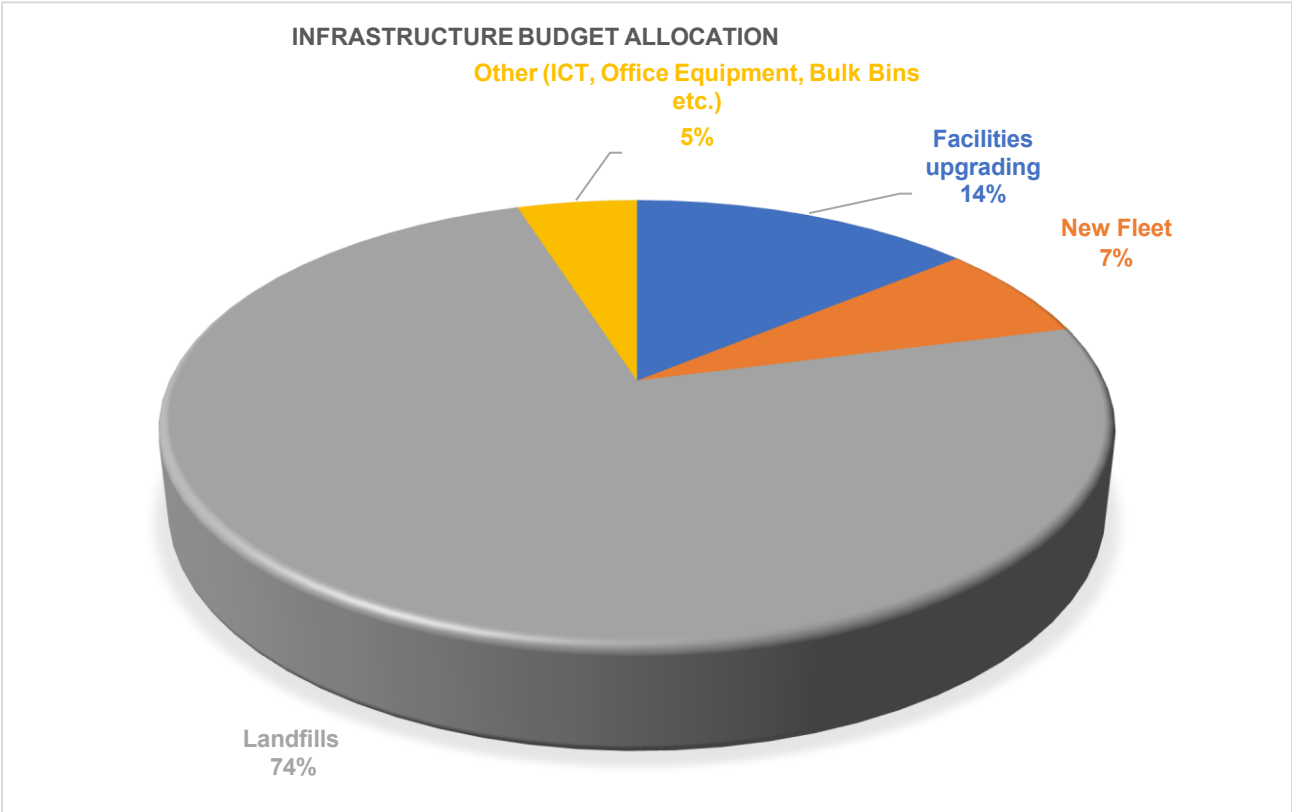
(e) Linbro Park Landfill site - improved compliance and alterations

The contractor unilaterally terminated the contract on 8 August 2023, despite the fact that the project was only 25% complete at that time. The termination was a direct result of Pikitup's failure to make timely payments on the invoices, which was entirely beyond their control. Consequently, Pikitup is now in the process of appointing a new contractor, who will be tasked with completing the project as per the original specifications.

(f) Waste bulk containers

There is a 3-year contract in place from which bulk bins are procured on an as-and-when-required basis. To date, R 476 238,00 amounting to 95% of the allocated budget is already spent.

Figure 10.2.2: Infrastructure Budget Alloca



The table below shows the overall summary of the estimated cost to implement the projects that support key focus areas over the implementation period.

OBJECTIVES	IMPLEMENTATION PLAN IN YEARS											
	2024/ 25		2026/27		2027/28		2028/29		2028/29		2029/30	
OBJECTIVE	CAPE y	OPEX	CAPE x	OPEX	CAPE x	OPEX	CAPE x	OPEX	CAPE x	OPEX	CAPE x	OPEX
Key Focus Area 1: Promote recycling and recovery of waste		R17m	R16m	R43m	R69m	R59m	R83m	R90m	R3m	R95m		R102m
Key Focus Area 2: Ensure the effective and efficient delivery of waste services		R7m	R80m	R195m	R130m	R402m	R140m	R679m		R738m		R798m
Key Focus Area 3: Ensure that legislative tools are developed to deliver on theWaste Act and other applicable legislation				R2m								
Key Focus Area 4: Sound budgeting and financing of waste management services		R2m		R5m								
Key Focus Area 5: Ensure the safe and proper disposal of waste		R1m	R2m	R6m		R9m		R19m		R20m		R2m
Key Focus Area 6: Education and awareness				R2m		R5m		R5m		R6m		R6m

Key Focus Area 7: Compliance and enforcement		R7m		R4m		R3m		R3m		R4m		R4m
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OBJECTIVES	IMPLEMENTATION PLAN IN YEARS											
	2024/ 25		2026/27		2027/28		2027/28		2028/29		2029/30	
Overall totals: Capex			R98m		R199m		R223m		R3m			
Overall totals: Opex		R34m		R257m		R478m		R796m		R863m		R912m
Potential Opex savings												
Key Focus Area 1: Chipping and removal of green waste from up to three garden sites						R9m	R19m		R30m			R33m
Key Focus Area 2: Implementation of WTS				R70m		R140m	R550m		R590m			R640m
Key Focus Area 2: Own REL fleet vs. ad-hoc or outsourced RELs				R110m		R250m	R400m		R430m			R460m
Overall potential Opex savings				R180m		R399m	R969m		R1 050bn			R1 133bn

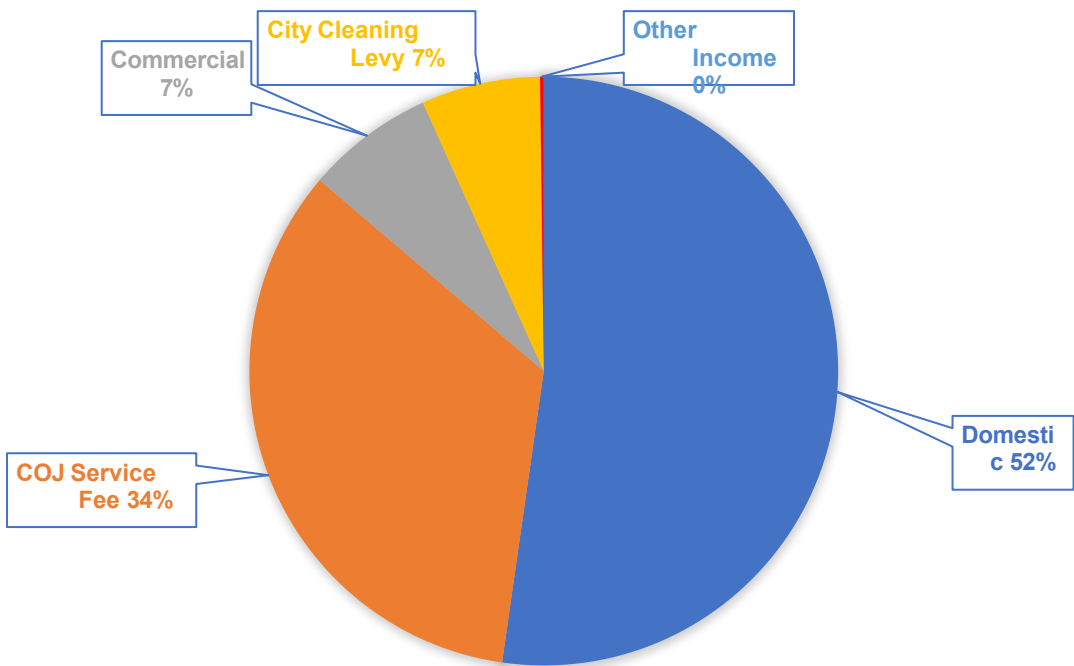
10.4 Revenue

The continued functioning of any utility is directly dependent on recovering its costs wherever possible. Appropriate tariff structures are not enough to guarantee cost recovery throughout the system. Ensuring that revenue is collected is therefore critical to monitor. Commercial activities have experienced some challenges and there are various factors contributing to the lack of growth in the commercial sector such as vehicle availability, lack of sales staff, lack of appropriate skills and inability to adjust tariffs to respond to market requirements. An action plan has been developed to address the challenges identified and to ensure growth in the commercial sector, with the aim to increase the revenue generated from the services offered.

The plan entails:

- a) Capacitation of the commercial services
- b) Identification of compactor and other vehicles to be dedicated to these services only
- c) Ring-fence commercial services revenue and budget
- d) Brand commercial service distinct from Pikitup
- e) Explore additional offerings
- f) Develop targets and metrics, and appropriate incentives

Table 10.4.1: Percentage income generated per commercial activity



The CCS department is strategically positioned to assist the company to improve its financial performance. After the Board approval of the repositioning of Commercial Business, the following strategic objectives will be focussed on:

Table 10.3.1: Strategic action plan for commercial services

Objectives	Action plan	Outcomes
Improve customer services	▪ Establishment of platinum accounts. ▪ Creation of portfolio managers. ▪ Customer Satisfaction Survey. ▪ Contacting customers after each query is resolved. ▪ Establishment of back office. ▪ Supervisor performing spot checks. ▪ Resolution of customer queries within seven days. ▪ Events or functions for platinum accounts/customers.	▪ Maintain good relationships with customers. ▪ Provide services to customers in line with their expectations. ▪ Meet customers' expectations. ▪ Queries resolved customers' satisfaction. ▪ Improve the image of the entity and CoJ. ▪ Provide world-class waste management services to our customers.
Increase revenue	▪ Restructuring our costing model (cost per each cost driver). ▪ Commercial prices are not to be gazette. ▪ Introducing recycling to commercial customers. ▪ Introducing ranges of profit mark-up percentages (included in the tariff policy). ▪ Introduce promotional offers that target specific customers (e.g., customers on the already serviced route). ▪ Distribute marketing pamphlets with details of products/services offered, including promotional offers. ▪ Introduce incentive-based compensation for new staff intakes. ▪ Enter into service-level agreements or memoranda of understanding with construction companies. ▪ Target specific customers in the area e.g., schools and public sector health facilities through the provincial departments.	▪ Increase revenue. ▪ Increase the company's net profit. ▪ Profitable departments.
Increase revenue collection	▪ Ensure that procedures are in place to monitor customer arrears and instruct attorneys to collect. ▪ The establishment of portfolio managers to manage individual accounts on issues of collection, customer queries and issuing of statements. ▪ Ring-fencing of commercial revenue (bulk and landfill cash collected) so that it does not get allocated in terms of the City's customer receipts allocation policy.	▪ Good debtor's management. ▪ Reduction of bad debts provision in the financial statements. ▪ Complete billing of each entry at landfills.
Clean administration	▪ Customer data clean up. ▪ Performing various financial reconciliations monthly. ▪ Reviewing existing internal control measures and revising accordingly. ▪ Engaging the CoJ revenue department to allow the CCS staff to input customers' billing data directly into the SAP module and then interface with the SAP billing module monthly.	▪ Clean audit.
Introduce recycling to commercial customers	▪ Work out the correct package/method of recycling to be introduced to commercial customers. ▪ Engage commercial customers that should be targeted for recycling. ▪ Pilot the project. Results to be used to roll out the project to all customers.	▪ Retain our existing customers. ▪ High diversion rate of waste disposal at landfills.

Section 11: Management and Organisational Structures

11.1 Organisational Structure

11.2 Board committees

The board discharged its oversight function directly or through its three subcommittees. The board and its committees are each chaired by independent non-executive directors. The composition of the committees for the reporting period conforms to regulatory requirements and King IV recommendations. In terms of the provisions of the Board Charter, the board is mandated to form subcommittees necessary for carrying out its fiduciary responsibilities. In line with the principles of good corporate governance set out in the King IV Report, the board is required to determine formal terms of reference for its subcommittees to ensure effective decision-making, monitoring and reporting. Such terms of reference have been developed and approved by the board.

The board has convened the following three subcommittees: Audit and Risk Committee (ARC), Service Delivery Committee (SDC), and Social, Ethics, Human Resources and Remuneration Committee (SEHRRC). The board committees make recommendations to the board, which is responsible for final decision-making.

Figure 11.1.1: Governance structure



Audit and Risk Committee

The role of the Audit and Risk Committee (ARC) is to assist the board by performing an objective and independent review of the functioning of the company's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with senior management and the internal and external auditors. The ARC operates in accordance with a written charter authorised by the board, and assists the board regarding:

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities
- Matters relating to financial accounting, accounting policies, reporting and disclosures
- Matters relating to risk management
- Internal and external audit policy

- e) Activities, scope, adequacy and effectiveness of the Internal Audit function and audit plans
- f) Reviewing and recommending the approval of external audit plans, findings, reports and fees
- g) Compliance with the Code of Corporate Practices and Conduct
- h) Compliance with the Code of Ethics
- i) Recommend approval of the Acquisition Plan
- j) Recommend and provide input into the multi-year Business Plan
- k) The committee further advises the board and assists it in discharging its responsibilities for information technology governance.

Operations and Service Delivery Committee

The Service Delivery Committee (SDC) monitors and provides strategic direction to achieve Pikitup's objectives and goals on behalf of the board in relation to delivering and developing municipal services. The committee provides strategic guidance and oversight in relation to the following:

The Operations and Service Delivery Committee is comprised of four non-executive directors. The responsibilities of the committee include, but are not limited to:

- a) Proactively strategising around key people, technical and operational issues to achieve Pikitup's goals
- b) Ensuring that operational and technical management takes place at the coalface
- c) Facilitating the effectiveness of the existing operational resources, structures and processes
- d) Ensuring optimised cross-group utilisation of the operational and technical capabilities of Pikitup
- e) Supporting the Executives: Operations, Landfill Management, Customer Services, Waste Minimisation Strategy
- f) Supporting programmes and fleet in key operational and technical initiatives.

Social, Ethics, Human Resources and Remuneration Committee

This committee acts in terms of the delegated authority of the board and assists the directors in monitoring Pikitup's activities and disclosures in terms of legislation, regulations and codes of best practice related to:

- Ethics
- Sustainable development and sustainability
- Engagement with stakeholders, including employees, customers, suppliers, communities and the environment
- Strategic empowerment and transformation.

The responsibilities of the committee include:

- a) Monitoring activities related to social and economic development, good corporate citizenship, the environment, and health and public safety
- b) Ensuring appropriate short-, medium- and long-term targets are set by management
- c) Monitoring progress on strategic empowerment and performance against targets
- d) Monitoring changes in the application and interpretation of empowerment charters and codes
- e) Monitoring functions required in terms of the Companies Act and its regulations.

The committee is responsible for monitoring ethical practices. Pikitup has documented policies that require all employees to adhere to ethical business practices in their relationships with one another, suppliers, intermediaries, and the shareholder. These policies also set stringent standards for the acceptance of gifts from third parties and declarations of potential conflicts of interest. A fraud prevention policy ensures that a firm stance is taken against fraud and that offenders are prosecuted.

Ethics and values

Pikitup subscribes to high ethical standards of business practice. A set of values and a code of conduct require staff to display integrity, mutual respect and openness. Members of staff have an obligation to challenge others who are not adhering to these values.

The Ethics Framework aims to provide general guidance on minimum standards expected from all Pikitup employees and third parties. It is designed to promote honest and ethical conduct and defines responsibilities for ethics in the workplace.

The Remuneration, Rewards and Recognition Policy was reviewed in consultation with the key stakeholders. The previous policy predominantly covered Bi-Annual Group Recognitions, while the reviewed policy encompasses Remuneration, Rewards and Recognition. The elements covered in the policy are as follows:

- Transparent Remuneration Framework, Key Remuneration Principles
- List of related definitions has been expanded
- Definitions of the Reward Mix – Guaranteed Pay Framework and Variable Pay
- Types of remuneration packages and salary scales: Total Guaranteed Packages, Structure of Total Package
- Comparative benchmarking on how Pikitup compares with the market
- Annual salary reviews, payment of a 13th cheque, offers of employment and salary adjustments,
- Counter offers, determination of scarce skills, long service awards, membership of professional bodies.

Ethics management highlights

- The ethics email address is active and communicated to all Pikitup employees (pikitupethics@pikitup.co.za)
- The company's core values are displayed at every site and serves as a moral compass for individuals to view the organisational values against their own.
- 100% compliance on declaration of financial interests by Pikitup employees as prescribed by the Code of Conduct for Municipal Employees contained in Schedule 2 of the Municipal Systems Act, No. 32 of 2000.
- All Pikitup policies are reviewed and updated.

The Board currently consists of eleven non-Executive Directors and two Executive Directors who are the Managing Director and the Chief Financial Officer and is guided and administered by a Company Secretary as indicated below. A board induction took place on 22 March 2023 of the following members of the Board members that were appointed by the shareholder on 01 March 2023:

Non-Executive Directors

- Mr. Maxwell Nedzamba (Chairperson)
- Mr. Moshe Thapelo Bodila
- Mr. Ntona Success Marota
- Mr. Otsile Maseng
- Ms. Pertunia Sebenzile Mkhonto
- Ms. Khumo Mogagole
- Mr. Thabo Mochadi Mokwena
- Mr. Masingita Marvelous Ndlhovu
- Mr. Malewa Radebe
- Ms. Ndivhuho Aggie Sekoba
- Mr. Simon Hai Shi

Independent Audit Committee Members

- Mr. Ntona Success Marota (Chairperson)
- Ms. Sajidah Gaffoor
- Ms. Leapia Noluthando Stonto Msibi
- Prof. Shamila Singh
- Ms. Ntuli Nonkululeko
- Mr. Malewa Radebe

Executive Directors

- Ms. Bukelwa Njingolo (Managing Director)
- Mr. Litshani Matsila (Chief Financial Officer)

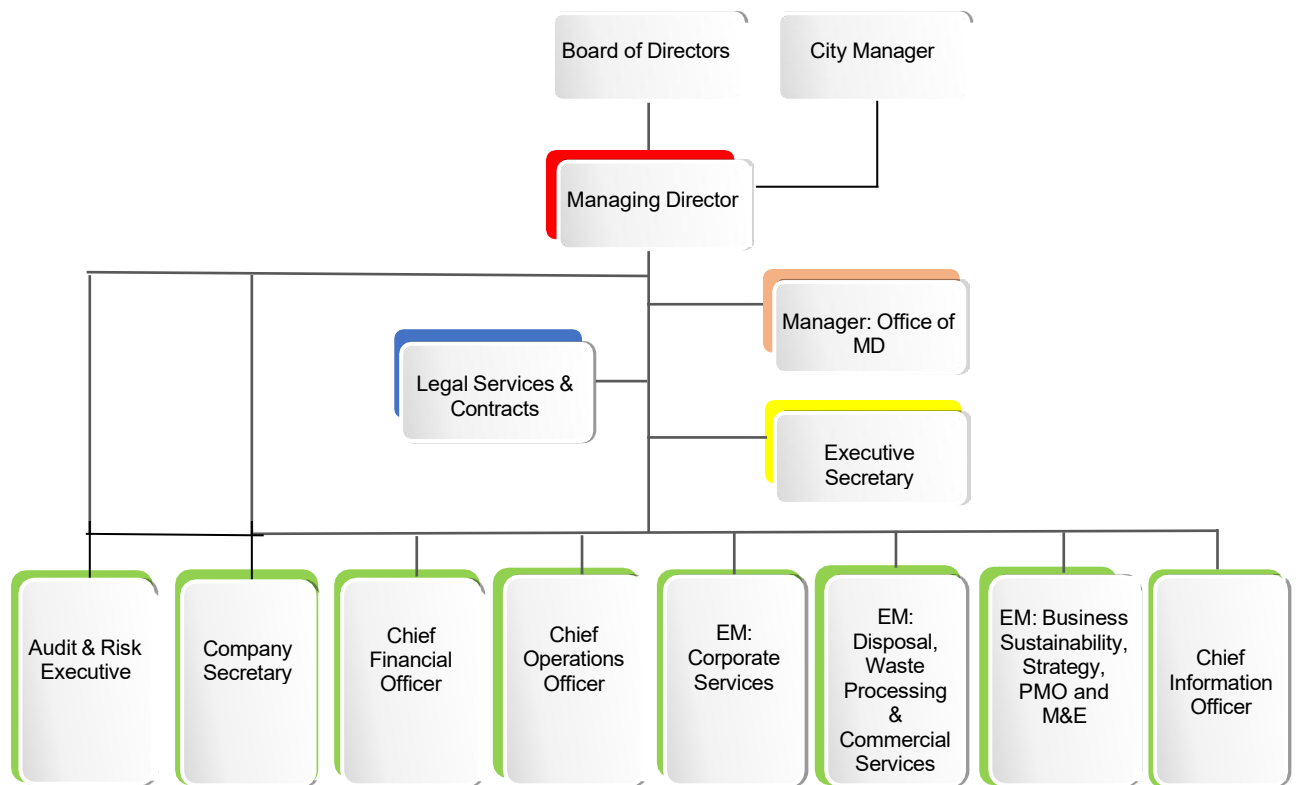
Company Secretary

- Mr. Larry Mallela

11.3 Management Team

We benefit from an experienced executive management team with extensive industry and business knowledge developed over years of operating in the increasingly complex waste management industry and in challenging markets.

The diagram below reflects the high-level organogram of Pikitup.



The macrostructure was signed on the 9th of February 2022 for the appointment of the executives.

Executive management roles

Role	Function
Managing Director	The purpose of this role is to provide administrative and professional support in the office of the Managing Director by ensuring that all operational issues within the office are coordinated and managed effectively to ensure that the company achieves its vision, mission and long-term goals.
Executive Manager: Disposal, Waste processing & Commercial Services	Develop and execute business strategies to ensure that the business unit runs its operations wholly from end to end effectively and efficiently. Drive marketing and sales, improve customer service to yield business growth and maximize profitability by engaging with all stakeholders internally and externally to place the company as a market leader in waste management within the CoJ and the country as a whole. Develop business tactics to increase Pikitup revenue by identifying profitable business opportunities and long-term business growth strategies. Implementing best practice Disposal practices and providing strategic direction and alignment. To provide a prompt, efficient and quality Disposal service to both internal and external stakeholders.
Executive Manager: Corporate Services	To be responsible for the provision of critical support functions that deliver business services to enable the business to meet the said objectives. The Corporate Services functions are Human Capital Management, Safety, Health, Environment, Quality, Facilities, and Securities. The function includes: - the development and implementation of Human Capital Management strategies, policies and plans aligned to the strategy of Pikitup that enable it to achieve its objectives. - ensuring that Pikitup employees and relevant key stakeholders comply to SHEQ standards and relevant legislative protocols; - identification and protection of company assets through the development and implementation of the appropriate security protocols; - Overseeing activities of service and maintenance contractors and staff.
	Establishment and maintenance of mutual beneficial relationships with service contractors and carry out inspections and general building maintenance.

Chief Information Officer	Chief Information Officer is responsible for establishing the company's ICT technical vision and leading all aspects of the company's technology development. As Head of Information Communication Technology, he/she plays an integral role in the company's strategic direction, development and future growth. The responsibilities include leading the execution of technology strategy and technology platforms, partnership and external relationships. It is the responsibility of this function to enable the environment for the effective and efficient delivery of Pikitup services, and to develop innovative technological enhancements to the way Pikitup do business.
Chief Operating Officer	To develop, implement and review the entire operations of Pikitup to ensure a consistent standard of service excellence is developed and maintained that matches the strategic direction and intent of the City of Johannesburg and Pikitup and all the Service Delivery Agreement (SDA) requirements of the shareholder. Operation's responsibility covers the entire implementation component of the waste management value chain from collection, reuse, treatment and disposal. It includes the operations for both council and commercial service and the management of fleet.
Chief Financial Officer	To be responsible for the overall sound funding and financial management of Pikitup, a more than R1 billion entity. Contribute to the effective financial management of the cluster by providing financial leadership, directing cluster and divisional financial activities and business plan development and controlling accounting practices, including the timely preparation of financial reports, forecasts and performance analysis.
Executive Manager: Business Sustainability, Strategy, Project Management Office and Monitoring & Evaluation	To lead and direct the Business Sustainability function with the aim of maintaining an impartial, accountable, transparent and efficient Strategic Support Service within the Office of the Managing Director. This role requires building and maintaining relationships with internal and external stakeholders to ensure the smooth flow of information and correspondence with relevant office.
Executive Manager: Audit and Risk Management	The purpose of this role is to responsible for the overall functioning of the Internal Audit Departments so that the audit fulfils the purpose, role and responsibilities as established in the Audit Charter. The operational focuses will be on: • The effectiveness and adequacy of controls, risk management and governance processes; • Reliability and integrity of financial and operational information; • Economic application of resources; • Safeguard of the company's assets; Compliance with laws, regulations, contracts, policies and procedures.

11.4 Capacity Analyses

The enactment of the new Board of Directors commenced in January 2022. The macrostructure was signed on 9 February 2022 for the appointment of the executives which is currently underway.

The following executives are in the process of being recruited based on the approved macrostructure:

- Executive Manager: Commercial Services
- Chief Information Officer
- Executive Manager: Waste Disposal, Waste Processing & Commercial Services

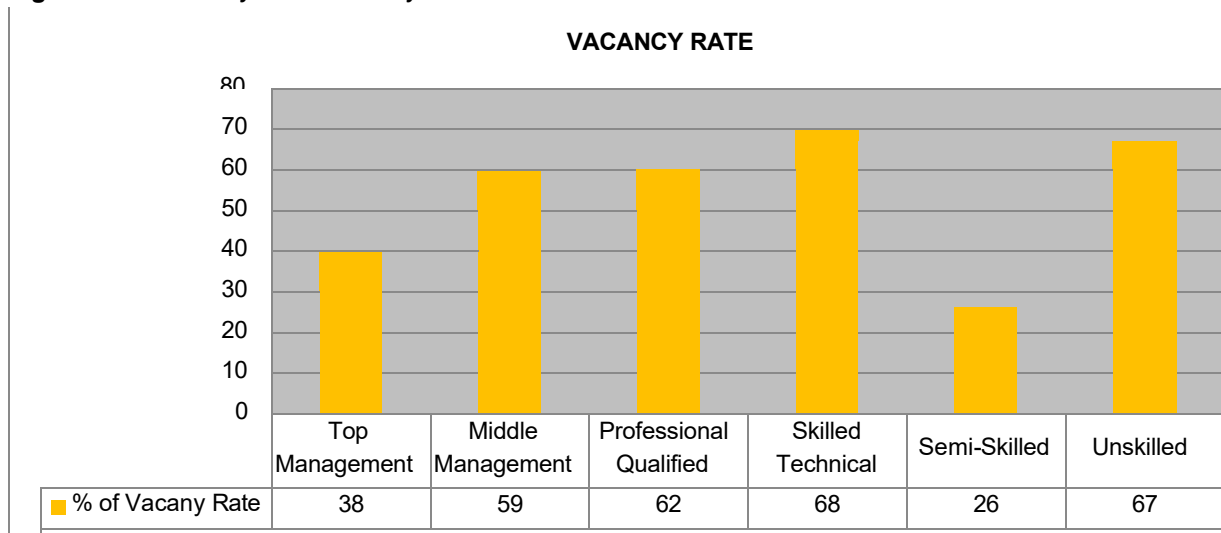
During the 2021/22 financial year, 3 356 positions were vacant and 27% of critical vacancies are required to be filled. Pikitup currently does not have an adequate budget to fill these vacant positions. For business continuity, Pikitup appoints employees to act or be seconded in various critical positions.

11.5 Vacancy Rate

Table 11.4.1: Vacancy Rate

NUMBER OF VACANCIES				
LEVELS	NO. OF POSITIONS	FILLED POSITIONS	VACANT POSITIONS	% OF VACANT POSITIONS
Top Management	8	5	3	38%
Senior Management	29	12	17	59%
Professionally Qualified	206	79	127	62%
Skilled Technical	832	264	568	68%
Semi-Skilled	2633	1953	680	26%
Unskilled	6758	2255	4503	67%
Total	10466	4568	5898	56%

Figure 11.4.2: Analysis of vacancy rate



There is a total of ten thousand four hundred and sixty-six (**10 466**) positions in the new staff establishment that was approved on 19 September 2023. Four thousand five hundred and sixty-eight (**4568**) positions are currently filled. Five thousand eight hundred and ninety-eight (**5898**) are vacant. The vacancy rate of Pikitup in terms of percentages is fifty six percent (**56%**). Identified critical vacancies will be filled in phases in line with budget availability.

Human Resource Strategy

Human Resource model and pillars of the human resource strategy

For Pikitup to lead and differentiate itself as the leader among integrated waste management companies in Africa and among the best in the world, HR has to drive the agenda by assisting the company to be the employer of choice.



It is the responsibility of HR to attract, retain talent, and manage and instil cultural values in the company. HR needs to drive alignment, culture, and performance, improve employee relations and better leverage technology as well as build a leadership pipeline across the organisation. To achieve this, it is important to adopt new ways of providing HR capabilities and delivering the desired results. It is for this reason that HR has adopted a high-impact operational model which seeks to empower leaders, employees and HR professionals by aligning the HR strategy to the organisational strategy by building capabilities that can deliver on Pikitup's mission most effectively. The strategy would require improved communication, coordination and in certain instances reshaping roles and responsibilities.

A number of strategic drivers were formulated based on the business's strategic priorities and the assessment of the current situation of Human Resources. The strategic drivers are not necessarily arranged in a specific order of focus or priority but are all aspects that underpin Human Resources' role as a strategic partner in influencing the culture and enabling the strategic direction of Pikitup. The drivers have purposefully not been organised as it should be clear that it is not intended to be rolled out strictly per phase as it might be interpreted.

The strategic drivers will serve as focus areas that will facilitate the achievement of the HR strategy and the resulting business strategy. In response to the vision and in considering its very challenging environment with political uncertainty, a largely unskilled workforce and vacancies in key positions in HR, the following seven strategic drivers have been identified:

- 1) Implement robust resourcing and talent management
- 2) Promoting a high-performance culture
- 3) Transforming the face of employment in Pikitup
- 4) Responding to heightened health and wellness needs
- 5) Strengthening the relationship with labour partners
- 6) Instilling a continuous learning and development environment
- 7) Enhancing HR systems and policies

Strategic Driver 1: implement robust resourcing and talent management		
Focus Area	Action	Output/Indicator
To develop agile, resilient, self-disciplined, responsible, ethical, techno-savvy, and diverse employees to ensure the availability of relevant skills to achieve the organisational objectives	Review HR policies to build a solid framework for Pikitup and to determine policy gaps.	Revised HR policies and framework
	Optimum utilisation of existing potential in Pikitup including reskilling, redeployment and reskilling of existing underutilised capacity in the institution. This means: - Regular analysis of business drivers so that effective leadership qualities and capabilities can be identified, defined and developed - Develop long-term plans for the number and type of employees required - Reporting on employee supply forecasts based on current and future requirements	Build and strengthen workforce planning capability within HR
	Design and implement career pathing and succession planning programmes	Succession planning programmes
	Management development to ensure capacity to lead agile, techno-savvy and knowledge workers Implementation of targeted programmes geared towards preparing leadership for the future, e.g., New Managers Development Programme, techno-savvy and knowledge workers	Skilled and capable managers
	Reduce acting appointments and overtime by finalising appointments in vacant positions	Implement succession planning and recruitment strategies to ensure institutional capacity to achieve operational capacity

Managing talent for high performance is becoming increasingly important for any organisation today. Effective implementation of talent management strategies is a challenge for all organisations and even more so for Pikitup. However, the benefits of strategic talent management will eventually produce better leaders and employees and the achievement of the business strategy.

Strategic Driver 2: Promoting a high-performance culture		
Focus Area	Action	Output/indicator
To create a culture of high performance within Pikitup that is results-driven	Review and optimisation of the performance management framework and process	Policies and framework are understood and implemented
	Managers and employees take accountability and responsibility for performance management. This includes assessments and a focus on deliverables	Implement a well-designed performance management system to drive the organisational results
	Comprehensive remuneration strategy which includes reward and recognition programmes with both financial and non-financial incentives to drive individual and team effectiveness and collaborations	Development and implementation of a comprehensive remuneration strategy
	Employee engagement sessions	Implementation of quarterly and annual engagement processes where employees are given an opportunity to raise concerns but are mostly encouraged to give ideas on improvements which should be rewarded

Building a high-performance culture is imperative to improving productivity and achieving the strategic vision of the organisation. A review and optimisation of the performance management framework and processes should be initiated to ensure integration with all HR programmes namely, talent management, rewards, succession planning, training and development etc. ensuring that it promotes the right behaviours that underpin the business strategy. The business strategic goals should be cascaded down to the business where they should be aligned with individual performance goals. As part of the implementation of the HR strategy, Pikitup should prioritise the development and implementation of an optimised performance management framework.

Strategic Driver 3: Transforming the face of employment in Pikitup		
Focus Area	Action	Output/indicator
Focused talent pipeline targeted at developing skills, knowledge and experience in key value areas	Investment in programmes to grow young talent for the institution for the future sustainability of service offering	Introduction and implementation of youth development programmes and co-operatives.
	Gender mainstreaming	Creating platforms to encourage the empowerment of women and women's forums. Targeted development programmes to strengthen the skills for our female colleagues.
	Empowering people from different communities within the CoJ	Targeted recruitment of people reflects the diversity of the communities in CoJ and creating awareness and understanding of the diversity and challenges faced by different sectors in communities.

Change management is about creating the willingness and ability in the organisation to adopt new ways of work and behaviour. Clearly there is a significant change that needs to take place in terms of mindset and skills for both leaders and employees. Ongoing changes in the political environment, population growth in the City and regulatory pressures will maintain and intensify the need to build a change-agile organisation.

Strategic Driver 4: Responding to heightened health and wellness needs		
Focus Area	Action	Output/indicator
Create a conducive environment for all Pikitup employees to carry out their responsibilities	Employee-centric wellness interventions	Introduction of wellness interventions to manage the constant health and wellness risks which especially unskilled and semi-skilled workers are exposed to daily. Introduction and assessment of the impact of health and wellness programmes that will include education on disease prevention and reduction of infections in the line of duty. Employee resilience and stress management.
		Employees' resilience and trauma therapy support create resilience in the institution to challenges faced by employees.
	Healthy physical workspace.	Review of the workspaces to ensure conducive workspaces.
	Promotion of a healthy lifestyle	Introduction and the rollout of wellness interventions targeting lifestyle diseases and chronic conditions.

Strategic Driver 5: Strengthening the relationship with labour partners		
Focus Area	Action	Output/indicator
Create a conducive environment for all employees	Strengthening proactive management with labour engagements, especially at the core function	Utilising existing engagement structures and holding annual summits between management and labour, compliance with the collective agreement, and initiatives to manage issues at the source by establishing shop floor forums.
Good employee relations are among the most influential and powerful tools for affecting organisational performance and are often regarded as the most difficult component to achieve as it is not always easily defined or gauged. Pikitup is highly unionised and this places an additional role on HR which needs to both direct and support HR legislative policies and collaborate and adapt to some of the intricacies tabled to them.		

Strategic Driver 6: instilling a continuous learning and development environment		
Focus Area	Action	Output/indicator
To become a learning organisation by creating an environment that encourages continuous learning	Reskilling of employees in the skills of the future.	Providing opportunities for employees to be skilled in functional skills of the future, e.g., technology and waste management processes
	Creating opportunities for cross-functional development of employees throughout the organisation through structured programmes.	Allowing and encouraging cross-functional transfer of skills to achieve optimum utilisation of resources and achieving value for money from the investment made in the human capital at Pikitup
	Creating a culture of agility and innovation by exploring opportunities for learning from other countries and institutions.	Entering into agreements with other institutions on the transfer of critical skills between the various institutions

Strategic Driver 4: Responding to heightened health and wellness needs

	Development of customer-centric skills focussing on employee development and informed by organisational needs.	Implementation of targeted programmes geared towards service excellence
	Measure the impact of learning and development on the results in the organisation	Regular impact assessments
	Aligning of learning and development and performance improvement plans. Development of annual training plans.	Review training and performance plans Annual training plans and reports submitted

Strategic Driver 7: Enhancing human resource systems and policies

Focus Area	Action	Output/indicator
To create a people-centric experience for its employees	Replacing ICT systems to ensure that functions are performed on site	Seamless HR systems to enhance customer-centric experiences

Pikitup runs a decentralised HR system which is therefore highly reliant on a seamless HR system. There are current concerns that work cannot be efficiently and effectively executed because of ineffective ICT systems.

11.4 Employment Equity

Staff demographics

As a designated employer, Pikitup is fully committed to complying with the Employment Equity Act (EEA) 55 of 1998, as amended. Diversity and inclusion remain the key drivers in building a workforce that reflects Pikitup's commitment to equal employment opportunities regardless of race, gender, age, disability, religion, or sexual preference, and reflects the demographics of the country. Pikitup is committed to focusing on the development of talent, with particular emphasis on people with disabilities, race and gender to achieve equal representation at all occupational levels. This opportunity will be taken when filling critical vacant positions

Table 11.4.1: Overall staff demographics by race and gender

OCCUPATIONAL LEVEL	MALE				FEMALE				TOTAL EMPLOYEES	% OF TOTAL STAFF
	A	C	I	W	A	C	I	W		
Top management	3	0	0	0	2	0	0	0	5	0.1%
Senior management	7	0	0	1	4	0	0	0	12	0.3%

Professionally qualified	30	2	1	6	34	4	1	1	79	1.7%
Skilled technical	132	5	0	3	120	2	2	0	264	5.8%
Semi-skilled	1509	12	0	0	427	4	0	1	1953	43%
Unskilled	442	1	0	0	1806	6	0	0	2255	49%
Total per demographic	2123	20	1	10	2393	16	3	2	4568	

The employment equity data for Pikitup reflects a disproportionately high representation of African staff in all occupational level. African staff made up 98.8% of the total staff. Women are adequately represented at all levels except in the semi-skilled categories. Overall, women make up 52.8% of the total staff compliment.

Figure 11.4.1: Overall staff by age group

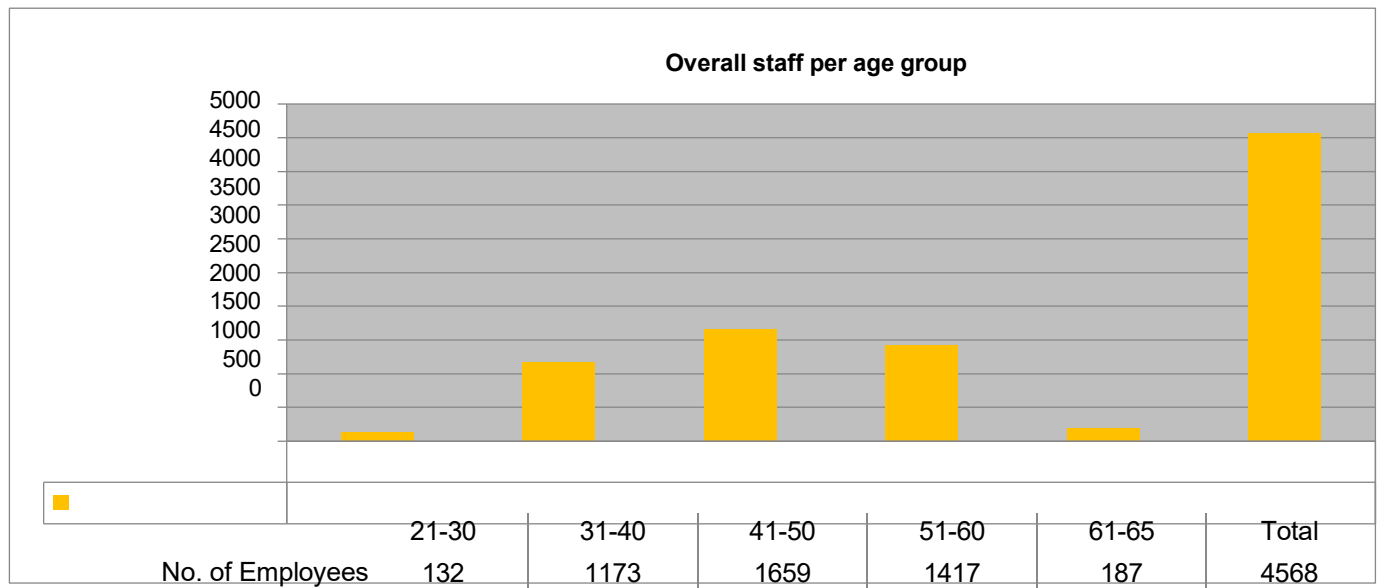


Figure 11.5.1.2: Overall staff by age group

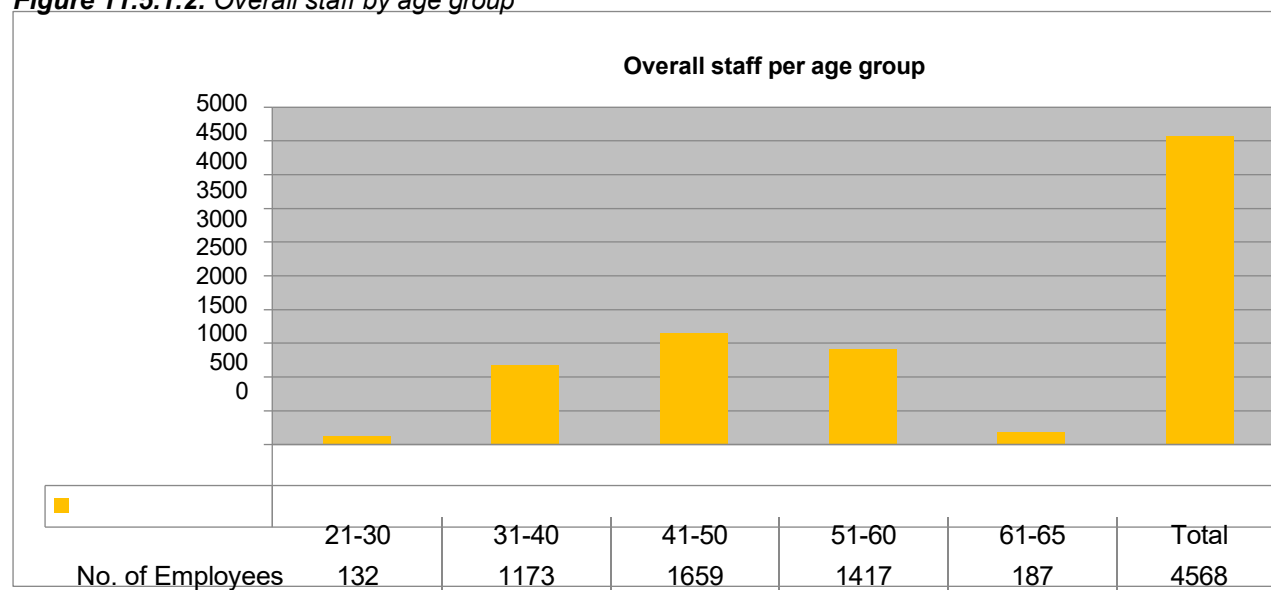
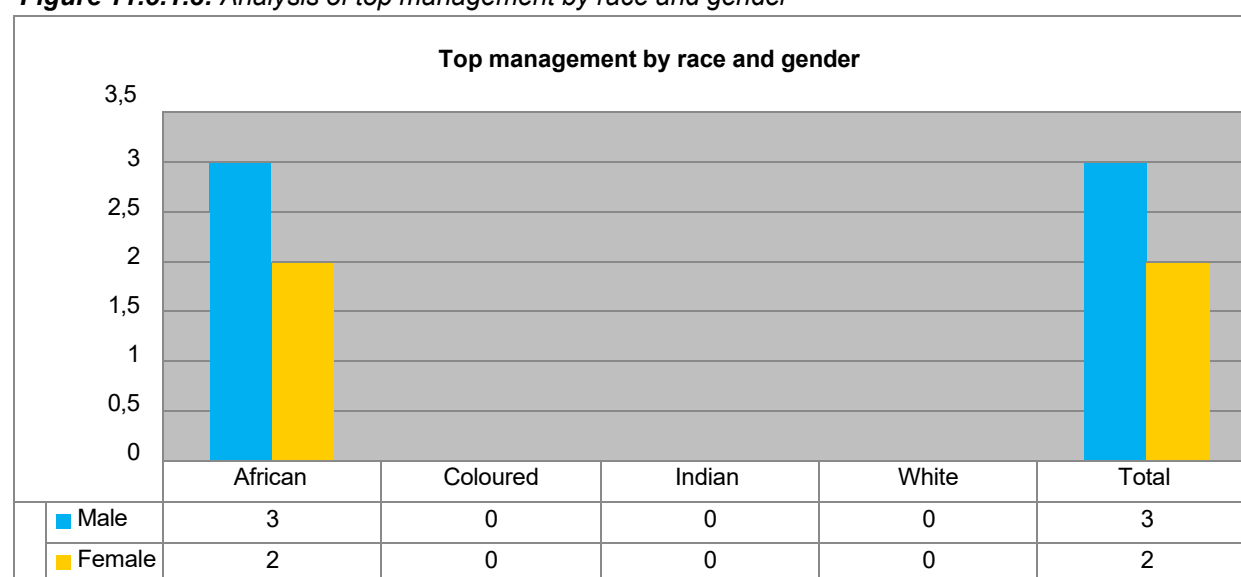
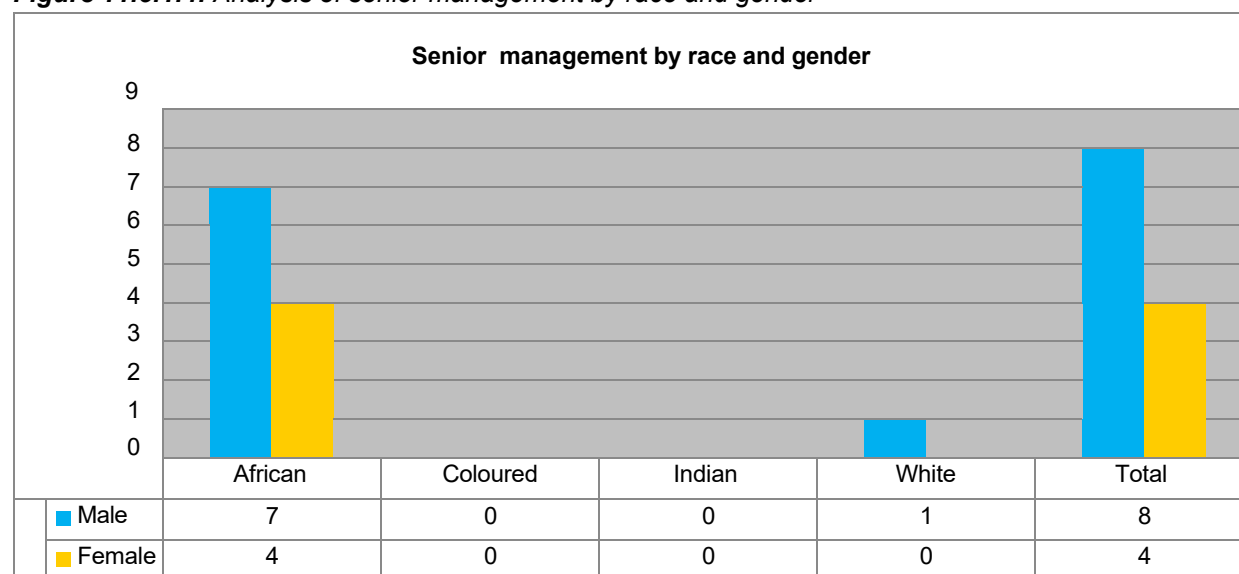


Figure 11.5.1.3: Analysis of top management by race and gender



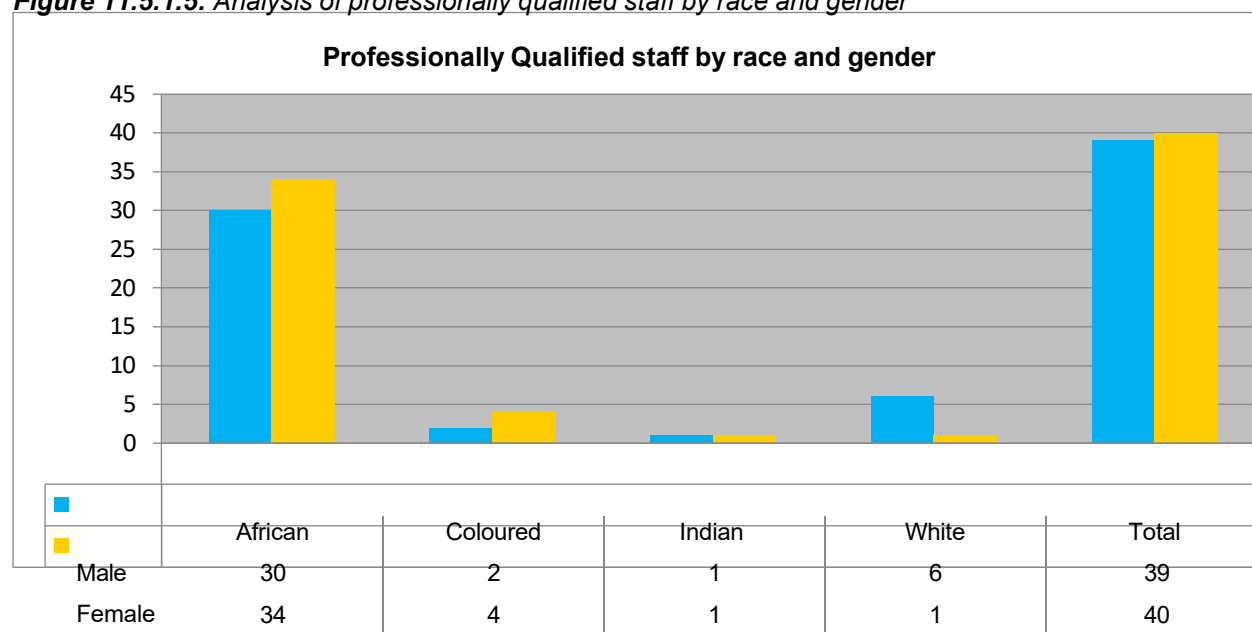
During the period under review, there were only five (5) employees at the top management level, three (3) males and two (2) females respectively, and all African. Other races were not represented at this level and should be considered when appointments are made in this category.

Figure 11.5.1.4: Analysis of senior management by race and gender



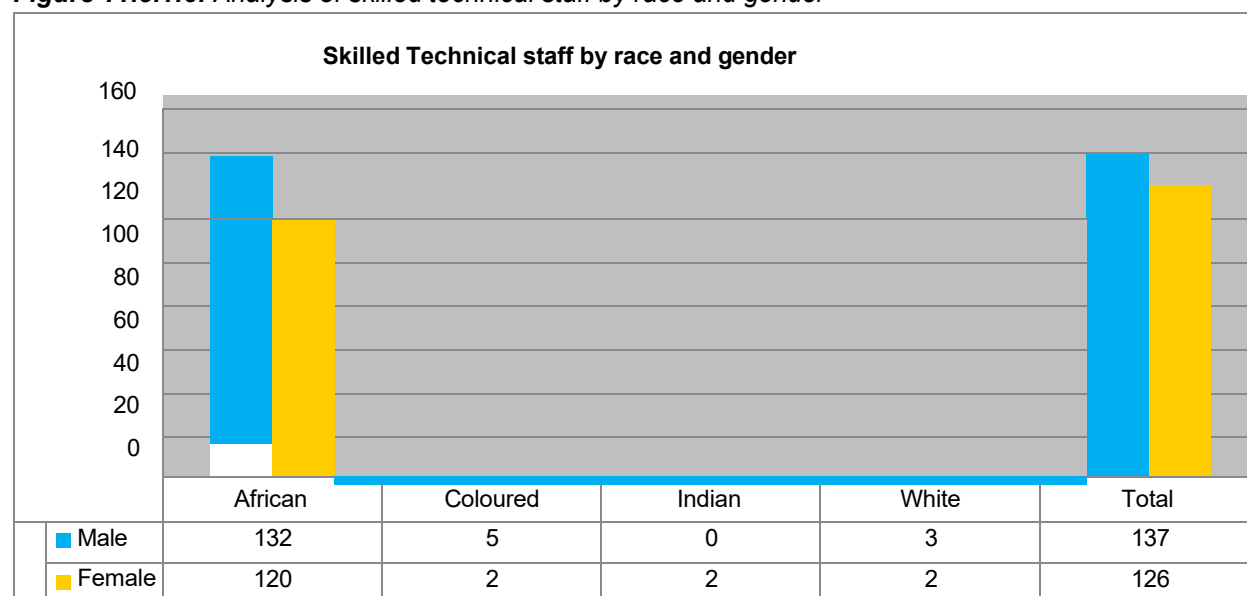
During the period under review, there were only twelve (12) employees at senior management level. Seven (7) males and four (4) females respectively, with eleven (11) African and one (1) white. Other races were not represented in this level and should be considered when appointment is made in this category.

Figure 11.5.1.5: Analysis of professionally qualified staff by race and gender



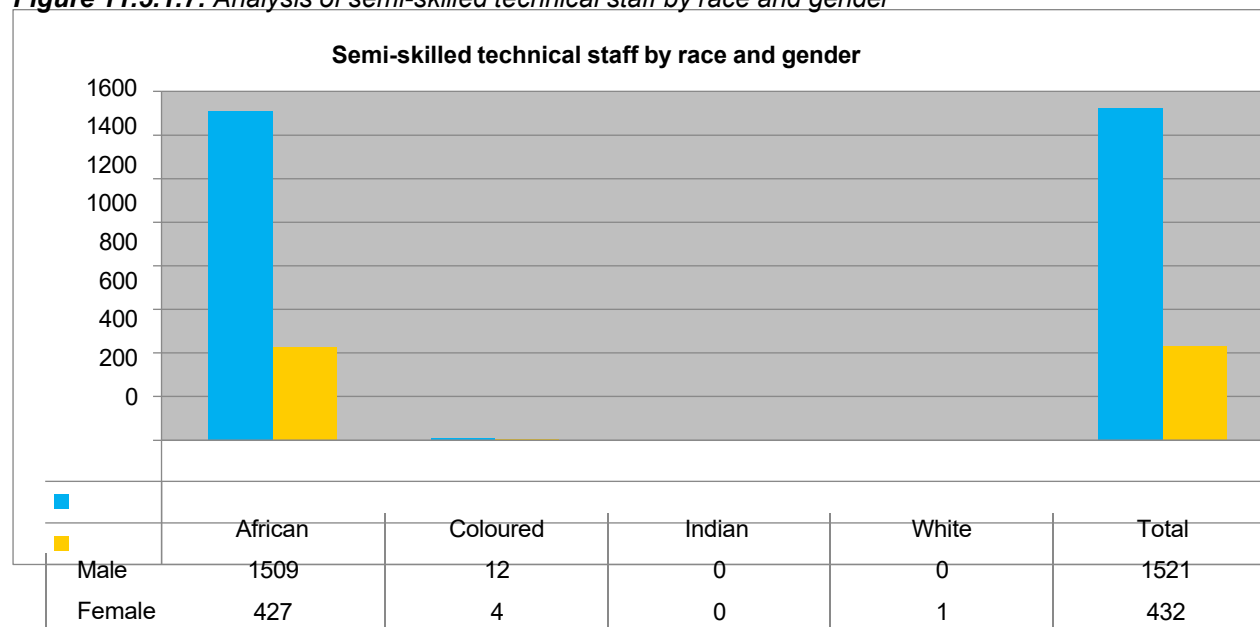
In this category, the African race was represented by thirty-nine (39) male and forty (40) female employees. The representation of other races such as Coloured, Indian and White was very small and should be considered.

Figure 11.5.1.6: Analysis of skilled technical staff by race and gender



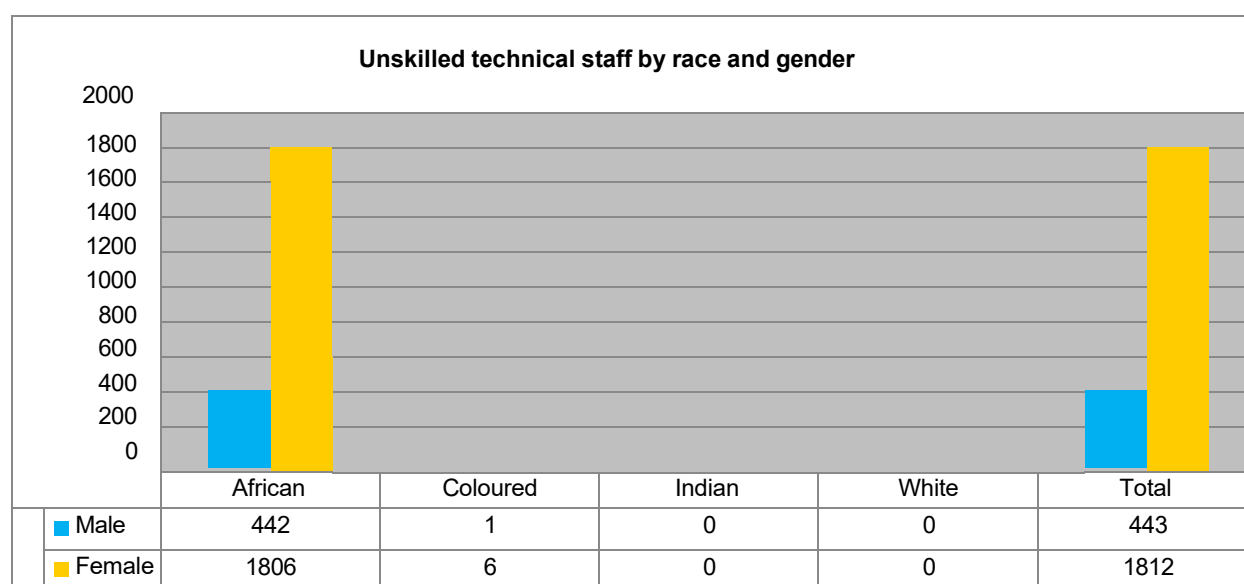
At this category, the African race was represented by one hundred and thirty-seven (137) male and one hundred and twenty-six (126) female employees. The representation of other races such as Coloured, Indian and White was very small. Race and Gender should be considered when positions are filled in this category.

Figure 11.5.1.7: Analysis of semi-skilled technical staff by race and gender



In this category, there is a shortage of representatives in the Coloured, Indian and White categories. Race and gender should be considered when positions are filled in this category.

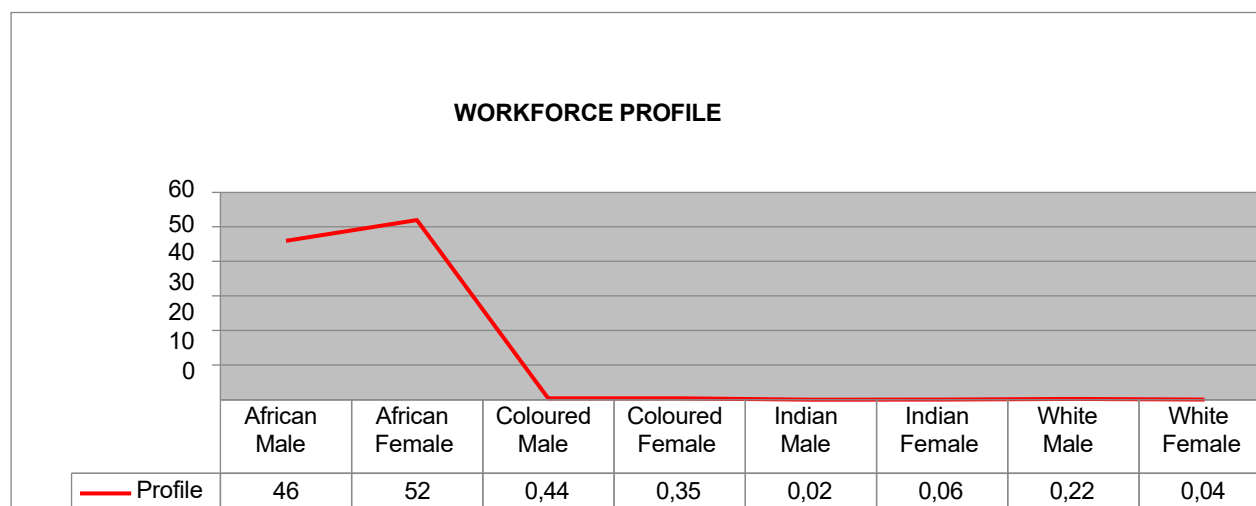
Figure 11.5.1.8: Analysis of unskilled technical staff by race and gender



In this category, the African race was represented by four hundred and forty-two (442) male and one thousand eight hundred and six (1806) female employees. The representation of other races was very small. Race and gender should be considered when positions are filled in this category.

11.5.2 Workforce profile

Figure 11.5.2.1: Workforce profile



Based on the national demographic, Pikitup's employment equity statistics shows a disproportionately high representation of African staff at all levels. Women are represented fairly at all levels, except the semi-skilled category.

All future appointments at Pikitup should consider the profiles reflected above, the recruitment measures to increase diversity to all levels should be implemented. Appointments of women in the senior management and semi-skilled categories should be considered in these positions.

11.5.3 People living with disability

The target for people living with disabilities nationally is 2% of the total staff. According to available data, staff living with disabilities make up 0.07% of total staff at Pikitup. This may be due in some way to staff not declaring their disabilities. It will now be mandatory for all applicants to complete the EEA1 forms during the interviews process to improve our target when it comes to people with disabilities. Subsequently, this form will be circulated to all staff for completion in order to improve our data.

11.6 Skills Development and Training

The last payment of mandatory grants was disbursed to Pikitup by LGSETA for the approved 2022/23 Workplace Skills Plan (WSP). This amount is added to the training budget of Pikitup. The Workplace Skills Plan 2022/23 and the annual training report were submitted to LGSETA.

11.6.1 Training

There are number of employees who enrolled at various recognised educational institutions on a sponsored basis to pursue higher education. Pikitup employees are subsidised to further their education at recognised higher learning institutions. They enrolled in various courses including Security Management, Public Administration and Environmental Management to name the least.

11.6.2 Internship programme

During the period under review, Pikitup will place interns in different departments and will be allocated a one (1) year contract to continue with the temporary employment within Pikitup.

11.7 Performance Management

During the period under review, employees entered into a performance agreement in accordance with the Performance Management policy that regulates and manages employee performance and aligns individual performance to the strategic objectives of the company. Positive continual performance improvement was reinforced through the implementation of the mid-year reviews to appraise the employees on how they have been performing.

11.8 Employee Benefits

Pikitup offers worksite-based comprehensive employee wellness programs in-house and externally through wellness service providers. Employees have an opportunity to access a confidential wellness service 24 hours and 365 days for support and effective health and wellness programs. As much as this service is primarily geared for employees to address challenges which can impact their effective rendering of service. It is also extended to the immediate family members for a holistic and inclusive regarding identified problems.

In order to ensure that Pikitup does not risk suffering revenue through loss of critical human capital resources from preventable ill health and injuries, the Employee Wellness Unit has the following strategic objectives for the 2026/2027:

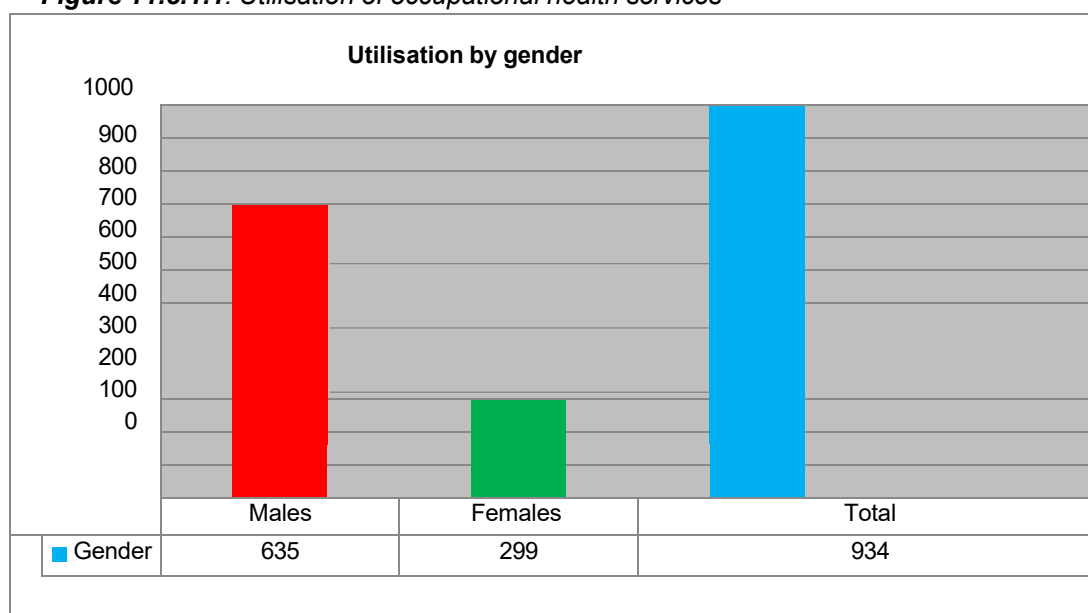
- Provision of employee centric and integrated employee wellness services that are aligned to the organization's business strategy with regards to the health and wellness at the workplace
- Provision of employee wellness programs that are aimed at ensuring safe and healthy placement of all the employees at their jobs.
- Implementation of Employee Wellness programs for all employees at all the depots and Head Office that comply with all the legislative requirements of the Occupational Health and Safety Act that are applicable to employee health and safety at the workplace.
- Implementation of Health Risk Assessment programme for Landfill sites employees to ensure that Pikitup complies with GDARD requirements with regards to health hazard identifications and management at Landfill sites.
- Implementation of a Medical Surveillance programme for Landfill sites employees to ensure that Pikitup complies with GDARD requirements for safe work placement of employees at their

jobs through risk based Medical examinations and monitoring that are aligned to specific exposures.

- Value creation to Pikitup as an organisation by offering Employee wellness services that will satisfy and meet all the relevant needs of the employees.
- To create a healthy workforce at Pikitup through implementation of integrated Employee Wellness programme such as:

11.8.1 Employee Assistance Programme Services

Figure 11.8.1.1: Utilisation of occupational health services



11.8.1.2 Top five medical conditions

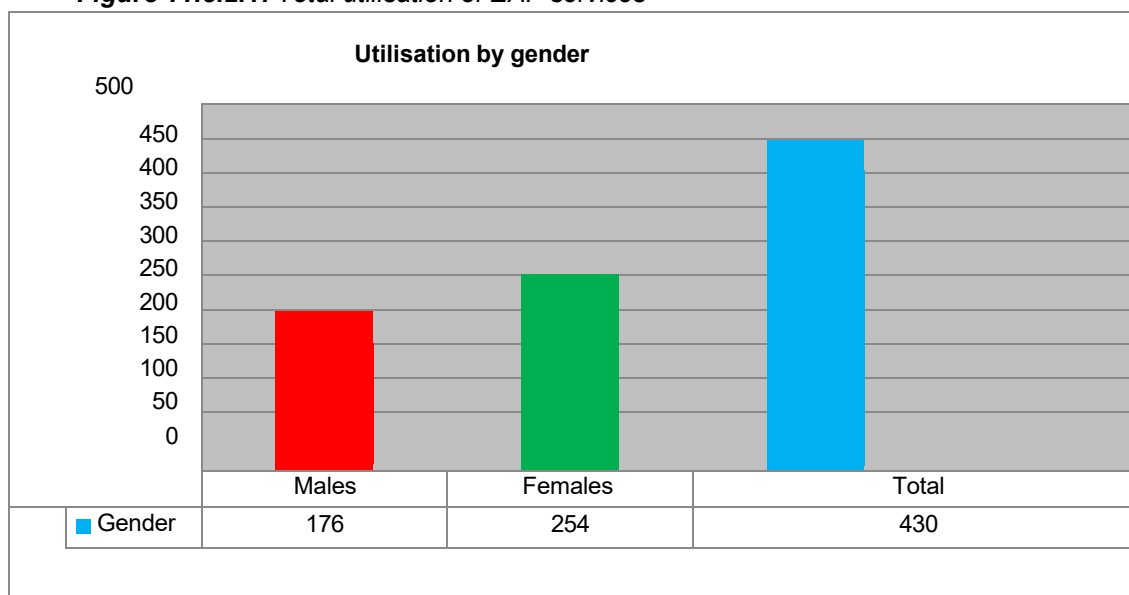
During the period under review, the top five presenting medical conditions that employees were treated for were the following:

- Respiratory problem
- Central Nervous System (CNS)
- Muscular Skeletal
- Gastrointestinal System
- Reproductive System

11.8.2 Utilisation of Employee Assistance Programme services

Employee Assistance Programme (EAP) utilisation refers to the number of activities but not individual employees (one employee may have more than one activity). During the period under review, there were four hundred and thirty (430) EAP consultations. Family relations, financial debt, stress, absenteeism and incapacity related problems were the top five reasons for service utilisation.

Figure 11.8.2.1: Total utilisation of EAP services



11.8.2.2 Top five presenting psycho-social issues

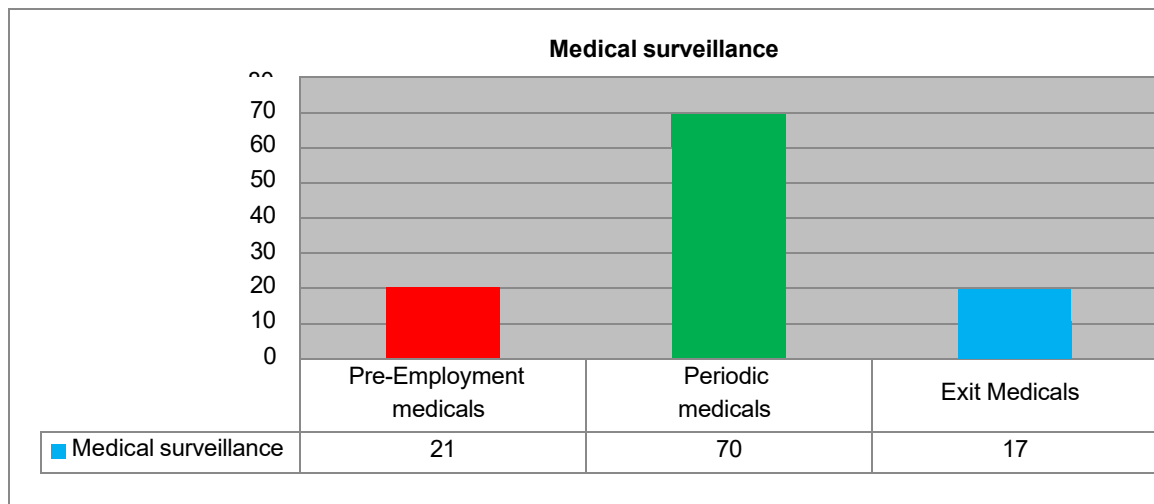
During the period under review, the top five presenting psycho-social problems that employees presented to EAP are as follows:

- Family and relations
- Financial debt
- Stress
- Absenteeism
- Incapacity

11.8.3 Medical Surveillance

The medical surveillance programme focuses on safe work placement of the employees at their various jobs through risk-based medical examinations and monitoring that are aligned to specific occupational exposures. During period under review, twenty-one (21) pre-employment medicals, seventy (70) periodic medicals and seventeen (17) exit medicals were performed.

Figure 11.8.3.1: Medical surveillance



11.8.4 Wellness Days events

Employee Wellness Division embarked on Corporate Wellness Day events whereby different service providers gathered to render wellness services to Pikitup employees. The aim of these Wellness Day events was to promote a healthy lifestyle amongst all Pikitup employees. Prevention, early diagnosis and ongoing monitoring of medical conditions are always the hallmark of the essential primary health care service and health promotion. The following health assessments were conducted during the Wellness Day events:

Free Health Services

- HIV Counselling and Testing
- Blood Pressure
- Blood Sugar
- Body Mass Index
- Pap Smears (Cervical Cancer screening) for women
- PSA (Prostate Cancer screening) for men

Free Health Services

- Vision screening
- Optometrist
- Dietician
- Dentist
- Podiatrist
- Physiotherapist

All of these activities and others were given freely to the employees e.g., Blood sugar, Cancer, and blood pressure etc. Others like specialized services were on Medical Aids.

Table 11.8.4.1: Statistical summary of wellness days events

DEPOT	GENDER		TOTAL	AGE GROUP			TOTAL	BMI	BP	BS
Diepsloot	34	21	55	7	37	11	55	55	55	55
Randburg	67	88	155	15	126	14	155	155	155	142
Waterval	40	65	105	11	80	14	105	105	105	105
Zondi	41	138	179	49	93	37	179	179	179	145

Roodepoort	122	114	236	38	162	36	236	236	236	160
Midrand and Ivory	39	58	97	15	65	17	97	97	97	97
Selby day& afternoon	36	178	214	24	154	36	214	214	214	214
Selby night shift	17	67	84	6	62	16	84	84	84	84
Norwood	73	175	248	15	192	41	248	248	248	248
Orange Farm	44	61	105	15	63	27	105	105	105	105
Head Office	21	41	62	10	48	4	62	62	62	62
Southdale	42	76	118	22	71	25	118	118	118	118
Avalon	76	117	193	35	125	33	193	193	193	193
Marlboro	84	146	230	29	156	45	230	230	230	230
Central Camp	61	112	175	27	96	52	175	175	175	175
TOTAL	797	1457	2256	318	1530	408	2256	2256	2256	2133

Table 11.8.4.2: Summary Employee Wellness Programme

EMPLOYEE WELLNESS PROGRAMME	STRATEGIC PLAN
Focused HIV, AIDS, TB and STI Programme	• Ensure that HIV and AIDS, TB and STI Policy is implemented and reviewed on a regular basis. • Ensure that Pikitup HIV and AIDS, TB and STI Policy is aligned to COJ and National Strategic plan on HIV and AIDS, TB and STI. • Address behaviour, social and structural drivers of HIV, STI and TB through continuous education and awareness campaigns on HIV, AIDS, TB and STI. • Prevention of HIV, STI and TB through testing and screening to ensure that employees know their status and manage it appropriately. • Sustain health and wellness for people living with HIV, AIDS and TB. • Protection of human rights and promotion of justice for employees who are HIV positive. • HIV counselling, Testing and monitoring.
Primary Health Care	• Treatment of minor ailments. • Family Planning. • Chronic diseases monitoring. • Management of common medical emergencies at a Primary Health Care setting.
Medical Surveillance Programme	• Ensure that Medical Surveillance Policy is implemented and reviewed on a regular basis. • Performing periodic Health Risk Assessments. • Ensure that Pre-Employments, Periodic, Transfer and Exit medical examinations are performed as guided by the Medical Surveillance Matrix. • Ensure management of unfit employees.
	• Ensure management of all detected Occupational diseases and Injuries.

Physical Health Promotion	• Promote healthy lifestyle among employees including nutrition, safe sex, physical activity and early prevention and detection of all diseases. • Align Pikitup Health Promotion programme with Department of Health Calendar. • Strengthening, communication and distributing of IEC (Information, Education and Communication material on health and Wellness related issues. • Preventative Health Care Services (Periodic Wellness Day events, Health care education and awareness campaigns, seasonal vaccination programmes).
Incapacity and Absenteeism Management Programme	• Ensure that Incapacity management: Ill-health Policy is implemented and reviewed on a regular basis. • Ensure that depot Incapacity and Absenteeism Management committees are strengthened and are functional. • Ensure continuous education and awareness on Incapacity and Absenteeism management. • Monitoring and management of absenteeism and Incapacity in all depots and Head Office. • Employee education on Policy and impact of incapacity and absenteeism on productivity.
EMPLOYEE ASSISTANCE PROGRAMME (EAP)	
Financial Management Programme	• Ensure identification and appointment of expert external service providers to educate employees on management of finances and debt. • Ensure ongoing counselling, support and referral of employees who are highly indebted. • Ensure ongoing employee education on debt management. • Perform research and analysis on debt management to assess link between poor debt management and absenteeism, substance abuse and productivity.
Substance Abuse Programme	• Ensure implementation of Substance Abuse programme according to Pikitup Alcohol and Substance Abuse Policy. • Ensure continuous education and awareness programmes on Substance Abuse.

	• Ensure rehabilitation of employees who have a problem with Substance Abuse addiction.
Mental Health Programme	• Ensure implementation of Mental health awareness sessions in all depots and Head Office in line with National health Calendar. • Strengthening, communication and distributing of IEC (Information, Education and Communication) material on Mental Health issues. • Talks & distribution of pamphlets & posters, Communicate through Comms. • Facilitate the identification of High Risks Departments and groups within PIKITUP for implementation of Resilience Workshops. • Implementation of Trauma management programme for any traumatic incidents within Pikitup.
Special EAP Projects addressing Psychosocial issues	• Ensure implementation of Special projects within Pikitup e.g., Pre-Retirement programme, Gender Based Violence awareness etc.

3. Specialised workforce

Pikitup has identified the need for a centralised Waste Information System to enhance data capture, analysis, and strategic planning, which underscores the growing importance of technical data skills within waste management operations. Similarly, the City of Cape Town's waste management strategy emphasises improved data utilisation, innovation, and performance monitoring to optimise service delivery, reflecting a broader shift toward data-driven decision-making. At a global level, major cities such as New York City rely extensively on comprehensive waste data for regulatory compliance, strategic planning, and performance measurement, including Solid Waste Management Plans (SWMPs) and diversion metrics. Collectively, these examples indicate a strategic shift across municipalities toward strengthened data capabilities in waste management. However, there is no indication that this shift entails the replacement of financial roles with data specialists. Instead, modern waste management systems increasingly depend on an integrated skills mix that includes technical data specialists, non-technical operational roles, and finance professionals to support effective performance management, budgeting, compliance, and long-term planning.

Section 12: Communication and Stakeholder Management

Section 12.1: Governance of Stakeholder Relationships

Stakeholder management is central to Pikitup's ability to deliver quality municipal services to Johannesburg's residents. The services Pikitup provides require daily interaction with a broad range of stakeholders — homeowners, sector organisations, educational institutions, businesses, and industry.

Other CoJ departments and entities are essential partners in delivering Pikitup's programmes, and the organisation engages with them on an ongoing basis. These include regional offices, JMPD, Environmental Health, City Parks and Zoo, and the Fresh Produce Market. Pikitup maintains various forums — environmental forums for landfill compliance, and industry, business, and reclaimer forums — where stakeholders can raise concerns and engage.

Pikitup engages a wide range of individuals, groups, and organisations whose interests are affected by its operations or who can affect how the organisation delivers on its constitutional and social mandate.

Stakeholders hold management accountable through meetings, forums, surveys, briefings, and direct engagement sessions.

In line with the accountability principles, Pikitup's stakeholder engagement programme — including IDP

public consultations — is designed to use feedback from affected parties to better identify operational risks, understand the changing operating environment, learn from stakeholder experience, educate the public on Pikitup's mandate, allocate resources effectively, and find resolutions to shared challenges.

Pikitup has adopted and utilises the following documents to enhance its stakeholder engagement:

- (i) King IV
- (ii) AA1000 Stakeholder Engagement Standard
- (iii) Stakeholder Engagement Strategy and Policy

Stakeholder	Category	Programme for partnering/involvement	Strategic goal and objective		Deliverables
City Parks, City Power, JDA, JRA, JPC, JMPD, Joburg Water, Social Development, Planning Department, Regional Directors, Councillors and Cllr forums, RSVD, Ward committees, CRUM	CoJ and City entities	• Policy and strategy • 2040 Growth and Development Strategy (GDS 2040) • IDP • #KleenaJoburg Reloaded • Education and awareness • Service delivery • Domestic worker training • Bylaw enforcement • Illegal dumping	Goal 1: Integrated waste management, waste prevention and waste minimisation Goal 3: Effective delivery of waste services	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner • To ensure effective and efficient waste services	• Eradication of Illegal dumping • Promoting and ensuring the effective delivery of waste services • Community upliftment
ABSA, Capitec, FNB Nedbank, Old Mutual, Sanlam Standard Bank, Santam, Liberty, First for Women, Outsurance, etc.	Financial institutions	• #KleenaJoburg Reloaded • Clean-up campaigns • Illegal dumping • Schools' recycling programmes • Development of entrepreneurs in the waste management business	Goal 1: Integrated waste management, waste prevention and waste minimisation Goal 3: Effective delivery of waste services Goal 4: Partnering and involving stakeholders	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner • To ensure effective and efficient waste services • Increasing partnerships to deliver and ensure active stakeholder engagement	• Eradication of illegal dumping • Waste minimisation • Good citizenship

Stakeholder	Category	Programme for partnering/involvement	Strategic goal and objective		Deliverables
Agri Protein, Bidvest, Topturf, Bio Mimicry SA, Bio2Watt, Biogas SA, Cultera, DBSA, DEA, Dept of Science & Technology, Earth Cyclor, On-Site Food Waste Composter, Earth Probiotic recycling solutions, Earth worm Farm, Eco Eye Waste Management, Envitech e-Wasa Association of South Africa, Garden Drums Gauteng: Green Office Gauteng Industrial Symbiosis Programme, GDARD, GDED, Green Cape Foundation SA, Green Earth Concepts, Green Efficiency Fund, Green Shoots: South Africa, Green Technology innovations, Green touch Growth point Properties, Health Care Waste Forum of SA, IDC, IGRC, iLive Sustainable Development, IJRC, Inova Group Inst for Econ Res on innov (TUT), IWMSA, JEFFARES & GREEN (Pty) Ltd, Joburg Green Map, Kateka Holdings/SA Waste Pty, Khabokedi , Landfill Consult, Life Green Group, Likhutsa Project, Mfangano Solutions National Treasury – PPP UNIT, NEWGX organics, Recycling Association of South Africa, OXFAM SA, Plantwise Reliance Compost: South Africa, SA GAS, South African Biogas Industry Association, South African Landscapers Institute, The South African Nursery Association, Turfnet, Tech Expects/Co, Bioenergy Research Group, Viewpoint Farming	Industry players (organic/garden waste)	• Development of a garden/organic waste strategy • Organic waste solutions • Research and development	<u>Goal 1:</u> Integrated waste management, waste prevention and waste minimisation <u>Goal 2:</u> Realisation of value throughout the waste value chain <u>Goal 4:</u> Partnerships and stakeholder involvement	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner • To use waste as a resource for poverty alleviation and to create job opportunities • Increasing partnerships to deliver and ensure active stakeholder engagement	• Grow the contribution of the waste sector in the green economy •

Stakeholder	Category	Programme for partnering/involvement	Strategic goal and objective		Deliverables
Checkers, Shoprite, Pick 'n Pay, Spar, Woolworths, Clothing industry, Makro, Jumbo	Retailers	• Education and awareness • #KleenaJoburg Reloaded • Schools' recycling programmes • Clean-up campaigns • CSI • Plastic waste	Goal 1: Integrated waste management, waste prevention and waste minimisation Goal 4: Partnering and involving stakeholders	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner • Increasing partnerships to deliver and ensure active stakeholders engagement	• Waste minimisation • Eradication of illegal dumping
Cashbuild, Build it, Builders Warehouse, PPC, Afrisam, Murray & Roberts	Built and construction industry	• Solutions on builders' rubble • Education and awareness campaigns • Skills development	Goal 1: - Integrated waste management, waste prevention and waste minimisation	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner	• Eradication of illegal dumping
Waste pickers, NGOs, NPOs, Churches, Schools, Community leaders, Cooperatives, Communities	Civil society	• Education and awareness campaigns • Clean-up campaigns • Community mobilisation • Schools' recycling programmes • Integration of waste pickers • #KleenaJoburg Reloaded	Goal 4: Partnering and involving stakeholders	• Increasing partnerships to deliver and ensure active stakeholder engagement	• Mandatory S@S • Eradication of Illegal dumping • Improve customer satisfaction and change behaviour

Stakeholder	Category	Programme for partnering/involvement	Strategic goal and objective		Deliverables
Hawkers Associations, Taxi Associations, Restaurants Associations (RASA), Rate Payers Associations, Builders' Associations, Environmental Forums, Franchise Association of SA	Associations	• Illegal dumping • Clean-up campaigns • Education and awareness • Bylaws	Goal 3: Effective delivery of waste services Goal 4: Partnering and involving stakeholders	• To ensure effective and efficient waste services • Increasing partnerships to deliver and ensure active stakeholder engagement	• Eradication of Illegal dumping • Mandatory S@S
Polyco, Waste Group, TFM PETCO,, Plastics SA and National Recycling Forum, Mpact Recycling, Environserv Waste Management, Interwaste, Nampak, Remade Tedcor	Industry players (recycling)	• Recycling optimisation • Waste Pickers • Schools' recycling programmes	Goal 1: Integrated waste management, waste prevention and waste minimisation Goal 4: Partnering and involving stakeholders	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner • Increasing partnerships to deliver and ensure active stakeholder engagement	• Waste minimisation • Mandatory S@S
CCBSA (Coca-Cola), Adcock Ingram, British American Tobacco, Road Accident Fund, Total SA, Avis, Shell, Best Petroleum, Engen Petroleum, Cobra, Food & Trees for Africa, Green Development Foundation, WAO Host,Qhubeka	Business	• Recycling • School programmes • Clean-up campaigns • Education and awareness programmes • Waste Pickers • #KleenaJoburg Reloaded	Goal 1: Integrated waste management, waste prevention and waste minimisation Goal 4: Partnering and involving stakeholders	• To ensure that waste to landfills is minimised • Increasing partnerships to deliver and ensure active stakeholder engagement	• Waste minimisation • Eradication of illegal dumping

Stakeholder	Category	Programme for partnering/involvement	Strategic goal and objective		Deliverables
Unisa, University of Johannesburg, Wits University, University of Pretoria, Colleges and FET institutions	Institutes of higher learning	- Research and development - Innovation and guidance	<u>Goal 2:</u> Realisation of value throughout the waste value chain	To use waste as a resource for poverty alleviation and to create job opportunities	- Eradication of illegal dumping - Waste minimisation - Grow the contribution of the waste sector in the green economy
McDonald's, Chicken Licken, Fishaways, Steers, Nandos, Spurs, Panarottis, KFC etc.	Food outlets and restaurants	- Clean-up campaigns #KleenaJoburg Reloaded - Recycling optimisation - Food waste	<u>Goal2:</u> Realisation of value throughout the waste value chain	- To use waste as a resource for poverty alleviation and to create job opportunities - To ensure that waste to landfills is minimised	- S@S - Eradication of illegal dumping

Pikitup's primary stakeholders are those we keep satisfied and manage closely; secondary stakeholders are those we keep informed and monitor. All stakeholder engagement is aimed at building support and collaboration for Pikitup's mandate and programmes.

A power/interest model is used to manage the expectations of stakeholders and our relationships with them.

Stakeholder	Main interest/need	Mediums of engagement (methods)	Impact on performance
Shareholder	- Capital growth - Improved share value - Successful organisation - Business continuity - Customer satisfaction	- Annual general meetings - Mayoral lekgotlas - Shareholder meetings - Committee meetings - Quarterly meetings with chair - Monthly cluster meetings/forum - Monthly, quarterly and annual reports	- Guidance and support - Counsel and policy direction

Stakeholder	Main interest/need	Mediums of engagement (methods)	Impact on performance
		• Mayoral flagship project	
Board of Directors	• Profit • Shareholders compact • Compliance • High performance standard • Business continuity	• AGM • Board meetings • Emails • Monthly, quarterly and annual reports	• Strategic direction • Enhanced performance • Satisfied shareholder
Employees	• Working conditions • Job security • Remuneration • Career opportunities • Training and development	• Roadshows • Posters • Intranet • Depot roll calls • Labour meetings	• Dedicated workforce • Improved service delivery • Good working relationship
Organised Labour	• Employee welfare • Employment conditions • Health and safety of employee	• Local Labour Forum • Labour Management Forum	• Informed labour • Good working relationship
Customers	• Value for money • Service delivery • Quality of service	• Media • Internet • Billing • Call centre • Surveys	• Satisfied customers • Collaboration • Trusting and understanding
Community	• Environmental responsibility • Social and economic benefits • Periodic engagements • Job creation	• Community engagements • CRUM engagements/meetings • Media • Call centre • Campaigns • Surveys	• Good and active citizenry • Good working relationship • Trust and empathy
Business	• Collaboration • Partnerships • Involvement • Doing business with Pikitup	• Participation in waste campaigns to mobilise public to change behaviour and take responsibility for waste management • Partnerships in implementation of projects • Collaboration on project implementation such as Adopt-a-Spot	• Strategic partnerships and collaborations • Buy-in and support

Suppliers	• Supplier development • Opportunities • Prompt payment	• Tenders • RFQ/RFP • Briefings and meetings	• Understanding of processes (risk minimisation) • Service excellence
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Stakeholder	Main interest/need	Mediums of engagement (methods)	Impact on performance
Industry	• Empowerment • Information sharing • Collaborations • Opportunities • Dialogues	• Website and publications • Joint projects • Seminars/summits • Meetings • Emails • Website	• Strategic partnerships and collaborations • Buy-in and support
Media	• Accountability • Public interest • Access to information • Service delivery	• Interviews • Media releases • Media briefings • Media articles • Responding to media queries	• Supportive media • Consultation • Less critical • Enhanced reputation
Academics	• Collaboration • Research and development • Policy development	• Workshops • Meetings	• Supportive • Enhanced trust
Financing institutions	• Bankable projects • Business opportunities • Collaboration on SMME projects and programmes	• Meetings • Joint campaigns	• Support • Joint projects

12.2 Communication Plan

Our primary stakeholders are managed closely; secondary stakeholders are kept informed. All engagement is aimed at building support and collaboration for Pikitup's mandate and programmes.

A power/interest model is used to manage the expectations of stakeholders and our relationships with them.

Stakeholder	Main interest/need	Mediums of engagement (methods)	Impact on performance
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Shareholder	• Capital growth • Improved share value • Successful organisation • Business continuity • Customer satisfaction	• Annual general meetings • Mayoral lekgotlas • Shareholder meetings • Committee meetings • Quarterly meetings with chair	• Guidance and support • Counsel and policy direction
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Stakeholder	Main interest/need	Mediums of engagement (methods)	Impact on performance
		• Monthly cluster meetings/forum • Monthly, quarterly and annual reports • Mayoral flagship project	
Board of Directors	• Profit • Shareholder compact • Compliance • High performance standard • Business continuity	• AGM • Board meetings • Emails • Monthly, quarterly and annual reports	• Strategic direction • Enhanced performance • Satisfied shareholder
Employees	• Working conditions • Job security • Remuneration • Career opportunities • Training and development	• Roadshows • Posters • Intranet • Depot roll calls • Labour meetings	• Dedicated workforce • Improved service delivery • Good working relationship
Organised Labour	• Employee welfare • Employment conditions • Health and safety of employee	• Local Labour Forum • Labour Management Forum	• Informed labour • Good working relationship
Customers	• Value for money • Service delivery • Quality of service	• Media • Internet • Billing • Call centre • Surveys	• Satisfied customers • Collaboration • Trusting and understanding
Community	• Environmental responsibility • Social and economic benefit • Periodic engagements • Job creation	• Community engagements • CRUM engagements/meetings • Media • Call centre • Campaigns	• Good and active citizenry • Good working relationship • Trust and empathy

		• Surveys	
Business	• Collaboration • Partnerships • Involvement • Doing business with Pikitup	• Participation in waste campaigns to mobilise public to change behaviour and take responsibility for waste management • Partnerships in implementation of projects • Collaboration on project implementation such as Adopt-a-Spot	• Strategic partnerships and collaborations • Buy-in and support

Stakeholder	Main interest/need	Mediums of engagement (methods)	Impact on performance
Suppliers	• Supplier development • Opportunities • Prompt payment • Empowerment	• Tenders • RFQ/RFP • Briefings and meetings • Website and publications	• Understanding of processes (risk minimisation) • Service excellence
Industry	• Information sharing • Collaborations • Opportunities • Dialogues	• Joint projects • Seminars/summits • Meetings • Emails • Website	• Strategic partnerships and collaborations • Buy-in and support
Media	• Accountability • Public interest • Access to information • Service delivery	• Interviews • Media releases • Media briefings • Media articles • Responding to media queries	• Supportive media • Consultation • Less critical • Enhanced reputation
Academics	• Collaboration • Research and development • Policy development	• Workshops • Meetings	• Supportive • Enhanced trust

Financing institutions	• Bankable projects • Business opportunities • Collaboration on SMME projects and programmes	• Meetings • Joint campaigns	• Support • Joint projects
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Disclosures relating to intergovernmental relations (IGR)

- Pikitup has a collaborative partnership with the National Department of Forestry, Fisheries and the Environment (DFFE)
- A working relationship exists with provincial government departments such as GDARD, Economic Development, SAPS and Housing
- A memorandum of understanding exists between Pikitup and City Parks and Zoo
- A memorandum of understanding exists between Pikitup and JMPD
- Pikitup collaborates with all city entities and departments to drive joint projects and programmes, including the Mayoral Flagship Project
- Pikitup is represented at the Citizen Relationship and Urban Management's (CRUM) Councillor Forums and Visible Service Delivery meetings
- Pikitup attends and participates in Section 79 and other City committee meetings.

Intergovernmental Relations (IGR) Assessment

Checklist Area	Status	Comments
Alignment with the City IGR Strategy	Aligned	Pikitup aligns its intergovernmental engagement to the City's IGR Strategy and shareholder governance arrangements.
Stakeholder and Partner Identification	Moderately Aligned	Key stakeholders are identified but not consolidated into a formal IGR governance map.
Compliance with Legislation and Policy	Aligned	Strong compliance with environmental, municipal, and governance legislation is evident.
Collaboration and Engagement Mechanisms	Partially Aligned	Collaboration occurs through project coordination and regulatory processes, but formal platforms and escalation mechanisms are limited.
Departmental / Entity IGR Structure	Not Aligned	No dedicated IGR focal point or transversal reporting mechanism is established.

Pikitup recognises that contributing meaningfully to the social and economic development of the country requires deliberate investment of time, money, and other resources. CSI activities and initiatives are aligned with Pikitup's strategy and designed to:

- Contribute to the social development element of Pikitup's transformation agenda and to the country
- Make a sustainable contribution to the communities within which Pikitup operates
- Enhance Pikitup's reputation and credibility as a socially responsible corporate citizen
- Enable an organisational culture and environment that encourages employee involvement in community development.

Batho Pele Principles

The Batho Pele ('People First') Principles require all government officials to be polite, open, transparent, and committed to quality public service. Pikitup's application of these principles is reflected in the following focus areas:

Access

A total of 1.7m formal households were provided with waste management services.

Information

Pikitup ensures that citizens are given clear and accurate information about the services they are entitled to through the Draft Business Plan, mid-term reports, and the Integrated Annual Report.

Redress

Within the CoJ, the Ombudsman investigates complaints against administrative actions, procedures, and practices such as improper conduct, unfair treatment, poor service, failure to follow procedures, disregard of Batho Pele Principles, and failure to respond to an enquiry, complaint, or other correspondence.

Value for money

In terms of Regulation 28 (1) of the Municipal Supply Chain Management Regulations, 2005, the Bid Evaluation Committee must evaluate bids in accordance with the achievement of the best value for money. Clause 7.7.1 of the company's Supply Chain Management Policy subscribes to the aforementioned regulation, which is applied in evaluation bids.

Section 13: Audit Resolution

The Internal Audit Department provides independent and objective assurance on the adequacy and effectiveness of risk management, governance processes, and internal controls. Through its recommendations, it helps ensure that risks are managed to acceptable levels and that strategic objectives can be achieved. The department follows a risk-based audit approach.

The Internal Audit Department evaluates the effectiveness and adequacy of controls and promotes continuous improvement. Its work includes, but is not limited to:

- Review the reliability, integrity of financial, operational & performance information
- Review the adequacy, effectiveness and efficiency of operations
- Review how resources are utilised (economic, efficient & effective use of resources)
- Review controls over safeguarding of assets
- Review the entity’s compliance with laws, regulations and policies and procedures
- Ensure that controls are consistent with the entity’s goals and objectives

The department operates in accordance with the MFMA, the Municipal Systems Act, and its approved Audit Charter, and its work complies with the International Standards for the Professional Practice of Internal Auditing. By functioning effectively and reporting to the Audit and Risk Committee, Internal Audit enables the Committee to exercise its legislative oversight and advisory mandate to the Board of Directors.

Resolution of Internal Audit findings

The entity noted and audit findings in the 2024/25 and 2023/24 financial years respectively. The table below indicates that the entity resolved for the 2024/25 and 2023/24 financial years respectively. On aggregate, for the past two financial years, the entity resolved, with of audit findings remaining unresolved. Note that the aggregate resolution rate includes audits that were completed recently, and implementation of corrective actions are in progress.

Table 13.1 below indicates audit projects completed in 2024/25 and 2023/24 financial years, and progress made by management in resolving audit findings noted by Internal Audit.

Table 13.1: Progress on resolving Internal Audit findings resolutions

Quarter	Audit Projects	Total Findings	Resolved	Unresolved	% Resolved
IA findings for 2023/24 financial year followed up in 2024/25 financial year					
Quarter 1	Audit of Pre-determined Objectives Audit (Review of Annual Performance Report)	2	2	0	100%
	Sub-total	2	2	0	100%
Quarter 2	Depot Management Audit (including cleanliness assessment) (Midrand)	19	19	0	100%
	Depot Management Audit (including cleanliness assessment) (Randburg)	19	19	0	100%
	Employees Year-end Final Performance Reviews	1	1	0	100%
	Audit of Pre-determined Objectives Audit (Quarter 1)	15	15	0	100%
	Sub-total	54	54	0	100%
Quarter 3	Landfill Management Audit (including weighbridge Management and landfill revenue)	7	5	2	71%
	Contract Management Audit	4	4	0	100%
	Audit of Pre-determined Objectives Audit (Quarter 2)	22	22	0	100%
	Human Resource Management Audit	13	12	1	92%
	Payroll Management Audit	7	7	0	100%
	Sub-total	53	50	3	94%
Quarter 4	Supply Chain Management Audit	1	1	0	100%
	Fixed Assets Management Audit	8	5	3	63%
	Fleet Management Audit	11	7	4	64%
	Audit of Pre-determined Objectives Audit (Quarter 3)	17	17	0	100%
	IT General Controls Audit	13	13	0	100%
	Sub-total	50	43	7	86%
Total number of audit findings for 2023/24 financial year (followed up in 2024/25 financial year) and the resolution rate		159	149	10	94%

An analysis of internal audit findings for 2023/24 financial year was conducted to determine the potential impact on service delivery and year-end audit opinion in instances where audit findings remained unresolved for a longer period. Table 13.2 below indicates audit findings that are significant to service delivery and/or audit opinion and those that are less significant but may become significant if they remain unresolved for a longer period as well as the resolution status.

Table 13.2: Analysis of internal audit findings and rating of the potential impact on service delivery and year-end audit opinion

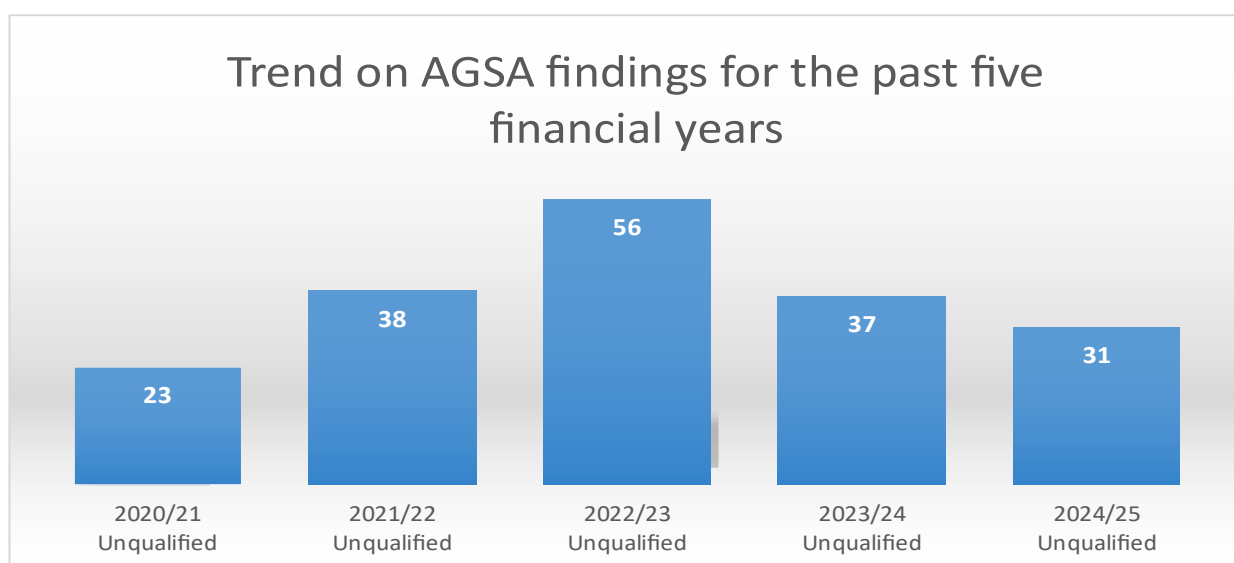
An analysis of internal audit findings and rating of potential impact on service delivery and year-end audit opinion as at 30 June 2025				
Financial year	Effects on audit opinion and/or service delivery			
	Matters that may affect audit opinion and/or service delivery (significant)	Other important matters that could escalate to significant if not addressed (medium significant)	Administrative matters (less significant)	Total
2023/24 financial year				
Resolved	28	103	18	149 (94%)

Not resolved	2	6	2	10 (6%)
TOTAL	30	109	20	159 (100%)
PERCENTAGE	19%	68%	13%	100%

Progress on resolving AGSA audit findings

AGSA raised 185 audit findings for the past five financial years. The graphic shows trend on AGSA audit findings for the past five financial years.

Figure 13.1: Trend on AGSA audit findings for the past five financial years



The trend analysis in Figure 13.1 shows improvement in the control environment: audit findings decreased from 37 in 2023/24 to 31 in 2024/25 — a 16% reduction. This is encouraging, though the findings that remain are qualitative and material, and if unresolved they could affect the 2025/26 audit outcome.

These audit findings remain a concern because some of audit findings raised are qualitative and material in nature and if not resolved during the financial year may have negative impact in 2025/26 year-end audit outcome.

Table 13.3 below indicates the nature and number of the audit findings raised by AGSA in 2023/24 and 2022/23 financial years and related resolution rates as at 30 June 2025. For 2023/24 financial year, the 37 audit findings consisted of 13 repeat findings and 24 new findings. For 2022/23 financial year, the 56 audit findings consisted of 4 repeat findings and 52 new findings.

Table 13.3: Progress on resolving AGSA audit findings

Area reviewed	Total findings	Resolved (management assertions)	Verified & confirmed by IA	Unresolved	% Resolved
AG findings for 2023/24 financial year					
Financial	22	22	0	0	100%

Performance	1	1	0	0	100%
Compliance	11	8	0	3	73%
Internal Controls	3	3	0	0	67%
Service delivery	0	0	0	0	0%
Total resolution rate	37	34	0	3	92%
AG findings for 2022/23 financial year					
Financial	18	18	18	0	100%
Performance	16	15	15	1	94%
Compliance	6	4	4	2	67%
Internal Controls	16	16	8	0	100%
Service delivery	0	0	0	0	0%
Total resolution rate	56	53	45	3	95%
Total resolution rate for 2023/24 and 2022/23 financial years combined (average)	93	87	45	6	94%

In aggregate, for the past two financial years, the entity resolved 94% of audit findings raised by AGSA, with 6% remaining unresolved. The resolution process is ongoing and Internal Audit is actively engaging management to close outstanding items.

Table 13.4: Trend on audit findings issued by AGSA and resolution rate

Financial Year	2023/24	2022/23
Total Findings	37	56
(Decrease)/ increase	(19)	18
% decrease	(34%)	47%
Resolution	34	53
Resolution Rate	92%	95%
Unresolved Findings	3	3
% Unresolved Findings	8%	5%

Figure 13.2 below indicates contributors to unresolved audit findings raised by AGSA.

AGSA Total Unresolved Audit Findings Per Audited Area



No	Finding reference	AGSA Audit Findings	Action Plans
1	Compliance finding	Irregular expenditure not prevented During the audit of the 2023/24 financial statements, irregular expenditure of R164 222 471 was identified as disclosed in note 46. This indicates that reasonable steps were not taken to prevent irregular expenditure, which amounts to non-compliance with section 95(d) of the MFMA.	a) Contract expiry notice is communicated to the contract owner when the contract is expiring within the next 12 months. b) Consequence management to be implemented against the contract owner who does not initiate the procurement process on time.
2	Compliance finding	Payments not made within 30 days During the audit of the expenditure, we noted that in some instances payments to suppliers for goods and services received by the municipal entity were not made within 30 days of receipt of invoice and statement.	Cash flow challenges from the City affect the achievement of 30 days payment. As and when funds are received from the City, service providers are paid.
3	Compliance finding	Non-compliance issues noted in the following landfills: Ennerdale, Robinson Deep, Marie-Louise, Linbro Park, Goudkoppies, Kya Sands	a) Resuscitate the Landfill forum to track non compliances, remedial actions, and progress using Landfill monitoring template landfill compliance risk monitoring plan (CRMP). b) An environmental auditor has been appointed to conduct the landfill audit. c) Various CAPEX projects are underway at landfill to address the landfill compliance requirements.

We conducted an analysis of AGSA audit findings for 2023/24 financial year and potential impact on the year-end audit opinion. The analysis shows that 38% of audit findings noted in 2023/24 financial years are matters affecting the audit opinion, 38% are other important matters, and 24% are administrative matters.

Table 13.6 below indicates the number of audit findings which affected the audit opinion in the 2023/24 year-end audits, other important matters, administrative matters and resolution rates.

Table 13.6: An analysis of AGSA audit findings for 2023/24 financial year and impact rating on the year-end audit opinion

Status of AGSA findings	Matters affecting audit opinion (38%)	Other important matters (38%)	Administrative matters (24%)	Total
2021/22 financial year				
Resolved	11 (29%)	14 (38%)	9 (24%)	34 (92%)
Not resolved	3 (0.1%)	0 (0%)	0 (0%)	3 (8%)
Sub-total	14 (38%)	14 (38%)	9 (24%)	37 (100%)

Table 13.7 below indicates the impact the audit finding will have on the year-end audit if it recurs.

Table 13.7: Impact rating on year-end audit

Descriptors	Ratings	Definitions
Insignificant	1	Immaterial impact on year-end audit and business as a whole.
Moderate	3	Negative outcomes/observations that may have a moderate effect on the year-end audit and business unit's performance and objectives.
Major	4	Negative outcomes/observations with major effect on the year-end audit and business unit's performance & objectives
Severe	5	Negative outcomes/observations with a severe effect on the year-end audit and business unit's performance and objectives

Action plans to resolve audit findings

Internal Audit implemented the following measures to fast-track resolution of audit findings raised by Internal Audit and AGSA:

- Consistent follow-up with relevant manager or action owner on resolution of audit findings.
- Appropriate escalation on unresolved audit findings to the Accounting Officer, EXCO, Audit and Risk Committee and Board of Directors.
- Internal audit findings should be resolved immediately and followed up in the next quarter.
- Adequate follow-up on the implementation of consequence management.
- Holding regular workshop with management through operation clean audit (OPCA) committee on resolution of audit findings.
- Development of investigation plan on UIFW and adequate resourcing of the plan.

- Timely submissions of UIFW expenditure investigation reports to MPAC for processing and write-off where investigations are completed.

Annexure A: Risk Register

RISK EXPOSURE LEVELS			ACTION REQUIRED
=>20 20 - 25	Very high	Unacceptable	Requires immediate attention from management on the implementation of corrective measures
=>12 12 - 19	High	Unacceptable	Implementation of improvements and validation of current controls
=>6 6 - 11	Moderate	Acceptable with caution	Evaluation and improvement of current controls
<6 0 - 5	Low	Acceptable	Validation and optimisation of controls

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitu Goal	Pikitu Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
1	Effective delivery of waste services	To ensure effective and efficient waste services	Lack of fleet fit for purpose	Chief Operations Officer	1.1 Delays in the replacement of type of fleet, plant and equipment that is fit for each waste stream service (informal settlements services, illegal dumping, green, dry waste, separation at source)	Critical	5	Alm	5	Very high	25	25	1.1.1 Procurement of fleet through the five-year FML by the CoJ 1.1.2 Finalisation of a new 36-months panel of specialised fleet service providers – to provide fleet services as and when needed

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
2	Integrated waste management , waste prevention and waste minimisation	To ensure that waste to landfills is minimised in order to achieve land use resource resilience	Depletion of available landfill airspace	Chief Operations Office	2.1 Lack of sustainable implementation of diversion programmes for recyclable waste, green waste and builders' rubble • Separation at source programme is not taken as the strategic and core activity at the depot level • Lack of budget • Lack of incentives to encourage participation • Lack of recycling infrastructure at landfills causes lower diversion of recyclable waste from being landfilled	Critical	5	Almost Certain or Common	5	Very high	25	20	2.1.1 Review waste minimisation strategy and plan 2.1.2 Review SOPs for diversion of all waste streams and develop incentive programme to encourage participation in dry waste diversion programmes 2.2 Increase administration and infrastructure resources for monitoring and evaluating waste diversion activities in areas i.e., scales to monitor tonnages and weighbridges at sorting facilities to integrate tonnage data 2.1.3 Strategically located sorting infrastructure – 10 garden sites to be upgraded 2.1.4 Establish integrated waste management facility at each landfill site including closed landfills 2.1.5 Continuous education and awareness of stakeholders, internal and

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING									RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk		Risk Mitigation Interventions (Actions to improve management of the risk)
					2.2 Lack of off-take strategic partners for diversion of green waste, dry waste and builders' rubble causes lower diversion							2.2.1 Roll out of S@S through a co-operative model involving community and waste pickers into new areas
												2.2.2 Secure partnerships with the private sector for the off-take of green waste for further processing
												2.2.3 Establish partnerships (public and private sector) for the off-take of builders' rubble waste for further processing
												2.3.1 Registration of waste pickers
					2.3 Inability to include waste reclaimers in the waste management value chain – not able to count their tonnages							2.4.1 Implement landfill masterplan recommendations
					2.4 Lack of land space to establish a new landfill							2.4.2 Ennerdale land transfer and expansion of landfill cell
					2.5 Lack of cost-effective waste treatment and waste beneficiation technologies and non-diversion of bio-degradable waste							2.5.1 PPP for the conversion of waste disposed of in the landfill to energy. Participating in alternative waste treatment projects championed by CoJ-EISD (WtE - landfill gas to energy), bio-digester

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
3	Building an efficient, effective, and viable waste management company	To ensure sound internal controls and good governance	Inadequacy of human resource alignment	EM: Human Resources	3.1 Unavailability of environmental education and awareness officers critical for the required consistent cleanliness levels city-wide, changing behaviour of illegal dumping, waste diversion projects, improving the level of environmental awareness by residence (structural arrangement & funding still not available)	Major	4	Almost Certain or Common	5	High	20	18	3.1.1 Capacitate the education and awareness unit. Funding the 12 environmental education officers to conduct education and awareness in communities
					3.2 Lack of technical skills and management personnel required for waste diversion strategy development and implementation (no funds to review of structure for waste minimisation, landfill technical skills, project managers across the organisation)								3.2.1 Resourcing the waste minimisation programme – capacitation of the waste minimisation unit; review of structural arrangements for waste minimisation

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BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
					3.7 Lack of human resources for performance monitoring and reporting at various business units and dedicated human resources for Draft Business Planning, performance monitoring and reporting department impacting clean audit opinion from AGSA								

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
4	Building an efficient, effective, and viable waste management company	To ensure sound internal controls and good governance.	Non-compliance with policies, laws, regulations and rules	EM: LGRC	4.1 Unethical conduct leading to fraud and corruption	Moderate	3	Almost Certain or Common	5	High	15	10,5	4.1.1 Continue the ethics management and anti-fraud education and awareness programmes
					4.2 Lack of sanctions for non-compliance Inadequate consequence management.								4.2.1 Conclude investigation on the alleged financial misconduct or unethical behaviours within the legislated 90 days or report progress within 90 days
					4.3 Lack of strategic procurement planning (poor planning with respect to SCM processes – Users not initiating SCM processes on time Delays in the execution of Capex infrastructure plan								4.2.2 Implement forensic investigations, GFIS and Audit recommendations 4.3.1 Implement a preventive control strategy to reduce UIFW expenditures
					4.4 User departments not signing and submitting invoices on time for payment causing invoices not to be paid within 30 days resulting in non-adherence to accounts payable policy Suppliers not submitting bank								4.4.1 Reinforce the use of a centralised supplier invoice receiving address that is monitored by finance

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BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING									RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk		Risk Mitigation Interventions (Actions to improve management of the risk)
					4.6 Unauthorised access of illegal waste pickers to landfills causing non-compliance with landfill permits conditions and bylaws							4.6.1 Landfill security improvement
					4.7 non-adherence by employees to safe working procedures							4.7.1 Intensify the Safety, Health and Environmental programme at the depot and landfill sites
					4.8. Non-adherence by drivers to fleet policies and procedures causing disabling injury and litigations (poor driving skills and risky driver behaviour – unsafe driving and road behaviour, high							4.8.1 Driver training programme

					speeding at uneven surfaces at landfills)								
					4.9 Culture of non-compliance with policies								4.9.1 Increasing employee awareness of approved policies
5	To increase partnerships and active stakeholder engagement	To increase partnerships and active stakeholder engagement	Recurring illegal dumping and littering	GM: CSM	5.1 Lack of illegal dumping prevention strategy suitable for Pikitup operational environment • Informal settlements are not formalised • Backyard dwellers are increasing and property owners are not providing bins to tenants • Residents intentionally dumping waste at night • Increase in bin theft left outside houses causes residents to dump waste to protect their bins • There is an increase in disregard of bylaws in areas dominated by foreigners • Lack of landfill in Region E causes people to illegally dump	Major	4	Almost Certain or Common	5,00	High	20	19	5.1.1 Develop Pikitup illegal dumping prevention strategy and implementation plan (CoJ illegal dumping prevention strategy 2017 – Waste bylaws enforcement by JMPD including education and awareness used as a guiding document)

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING								RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact	Likelihood	Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
					5.2 Lack of bylaw enforcement for illegal dumping						5.2.1 Develop job profiles for Rangers 5.2.2 Establishment of Rangers to enforce bylaws, including imposing fines on those who engage in illegal refuse management activities. 5.2.3 JMPD to provide Rangers with training
					5.3 Inconsistency in timely refuse collection is caused by lack of fleet and unforeseen circumstances						5.3.1 Availability of reliable fleet – primary 5.3.1 Improve proactive communication with residents on waste collection disruptions
					5.4 Backyard dwellers are increasing, property owners not providing bins to tenants						5.4.1 Increase the receptacles or identify receptacles relevant to a specific area 5.4.2 Increase the collection for the affected areas 5.4.3 Develop or review bins policy to address the backyard dwellers
					5.5. CoJ town planning department is not effectively implementing policy on the disposal of building waste						
	Effective delivery of Waste Services	To ensure effective and efficient waste services			5.6 Open spaces in community residential areas used for illegal dumping						5.6.1 Engage JPC and Environmental Health, Social Development for food gardening

BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact		Likelihood		Inherent Risk			Risk Mitigation Interventions (Actions to improve management of the risk)
					5.7 Inconsistent and inadequate environmental education and awareness to residents hampers the cleanliness of the city, implementation of illegal dumping prevention strategy, dry waste diversion, implementation of separation at source								5.7.1 Consistent marketing awareness campaigns on the negative societal and environmental impact of illegal dumping through 360-degree marketing campaigns. 5.7.2 Availability of education and awareness truck
6	Effective delivery of Waste Services	To ensure effective and efficient waste services	Inability of ICT to support the business (Operational & Strategic)		7.1 Misalignment between ICT and Business.	Moderate	3	All	5	High	15	10,5	7.1.1 Revise the ICT Strategy to incorporate relevant capabilities for delivery of the overall Pikitung strategy and/or Draft Business Plan. 7.1.2 Develop ICT Governance Framework, Plans and Charters 7.1.3 Institutionalise Corporate Governance of ICT 7.1.4 Strengthening stakeholder relation
					7.2 Inadequate ICT Structure								7.2.1 Review ICT Structure 7.2.2 Capacitate the ICT Department

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BUSINESS OBJECTIVES			RISK ANALYSIS AND RESIDUAL RISK RATING										RISK MANAGEMENT PLANS
Ranking	Pikitung Goal	Pikitung Strategic Objectives	Risk Name	Risk Owner	Root Causes of the Risk	Impact	Likelihood	Inherent Risk					Risk Mitigation Interventions (Actions to improve management of the risk)
7	Building an efficient, effective, and viable waste management company	To ensure sound internal controls and good governance.	Insufficient funding	CFO	7.1 Insufficient funding available for all waste diversion (green, builders' rubble, dry waste, separation at source)	Critical	5	Likely	4	Extreme	20	20	7.1 Better budget management in all areas 7.2 Tighter controls in fleet budget management
					7.2 Limited funds limit the rollout of receptacles (infrastructure) in proximity to relevant areas/high-density areas								
					7.3 Budget for commercial service and informal settlements fleet is not available								
					7.4 Clearing illegal dumping is not adequately funded								
					7.5 Not enough funding to support consistent advertising, marketing, education, and awareness								
					7.6 Limited budget available to create job opportunities through EPWP								
					7.7 There is not enough funding for the required personnel								
					7.8 Lack of funds to provide incentives for all waste diversion categories								
					7.9 Loss of revenue from landfill services due to problems with tonnage recording and reporting								
					7.10 Employment expectations from EPWP put a strain on finances								

GLOBAL SUSTAINABILITY BENCHMARK SUMMARY

This section establishes the international baseline against which Pikitup's 2026/27 Business Plan has been assessed and enhanced. It draws on the UNEP Global Waste Management Outlook 2024, global ESG reporting frameworks, and publicly available strategic disclosures from world-leading waste management companies.

Global Waste Management Context

According to Grand View Research, the global waste management market was valued at USD 1.497 trillion in 2025 and is projected to reach USD 2.365 trillion by 2033, at a CAGR of 6%. Municipal solid waste generation is forecast to grow from 2.1 billion tonnes in 2023 to 3.8 billion tonnes by 2050. Without decisive action, the annual global cost of waste mismanagement could approach USD 640 billion by 2050. A circular economy approach, by contrast, could generate net benefits of USD 108.5 billion per year (UNEP, 2024).

UNEP Global Waste Management Outlook 2024 — Key Finding

The waste sector has the potential to cut global GHG emissions by 10–15% through prevention, reuse, recycling, and energy recovery. Cities like Johannesburg that invest in circular waste infrastructure position themselves to access green bonds, climate finance, and EPR revenue streams, while reducing long-term fiscal exposure from landfill liabilities.

Benchmark Scorecard: Pikitup vs Global Peers

The table below benchmarks Pikitup's current strategic positioning across ten dimensions against four leading global waste management entities.

Dimension	Pikitup Current Position	Global Peer Benchmark
Recycling / Diversion Rate	~12–15% (target: 50% by 2030)	Renewi: >65%; Biffa: ~50%; WM Inc: 25M t/yr recovery target by 2030
GHG Emissions Targets	Not yet formally committed	WM Inc: 42% Scope 1&2 reduction by 2031 (SBTi); Biffa: Net Zero 2050
Landfill Gas / RNG Recovery	Minimal — early stage	WM Inc: 144 LFG sites; 21 RNG plants; SUEZ: 350 GWh biogas facility
ESG / Sustainability Reporting	Limited (annual report only)	WM Inc, Biffa, Renewi: Annual GRI-aligned sustainability reports + CDP

Dimension	Pikitup Current Position	Global Peer Benchmark
		disclosure
Climate Risk Disclosure (TCFD/ISSB)	Absent	WM Inc, Biffa, SUEZ: Full TCFD/ISSB-aligned reporting
Circular Economy Strategy	Emerging (S@S, waste pickers)	Renewi: secondary material revenue streams; Biffa: polymer recycling at scale
Fleet Decarbonisation	Aging diesel fleet — no EV/CNG plan	WM Inc: 70% alternative-fuel fleet target; Biffa: EV/CNG transition underway
Digital / Route Optimisation	Partially implemented	WM Inc: AI-powered route optimisation; Cleanaway: real-time fleet monitoring
Waste-to-Energy / AWTT	Feasibility stage	Covanta: 21M t/yr WtE; Cleanaway: first large-scale E-from-W facilities (2026)
Community / Social Value	Strong (EPWP, waste pickers)	Globally strong — Pikitup's EPWP model is a competitive advantage in the African context

Priority Gaps Requiring Action in 2026/27

- Establish a formal GHG emissions baseline (Scope 1, 2, and 3) and adopt a science-based reduction target trajectory aligned with 1.5°C pathways.
- Produce a standalone ESG / Sustainability Report aligned to GRI Standards and ISSB IFRS S1/S2 climate disclosure requirements.
- Adopt a TCFD-aligned Climate Risk Disclosure framework as part of the Annual Report governance cycle.
- Develop a Landfill Gas (LFG) capture and beneficial use strategy at Robinson Deep and Goudkoppies, targeting carbon credit and RNG revenue generation.
- Accelerate the Alternative Waste Treatment Technology (AWTT) business case to reach procurement stage by Q4 2026/27.
- Define fleet electrification and alternative fuel (CNG/EV) transition milestones within the Fleet Management Strategy.

SECTION 8A: CLIMATE RISK ASSESSMENT AND ESG FRAMEWORK

This section addresses the growing requirement for climate-related financial disclosure aligned to the TCFD/ISSB IFRS S2 framework. It structures Pikitup's climate risk and opportunity assessment across the four TCFD pillars: Governance, Strategy, Risk Management, and Metrics and Targets. This section is a new element of Pikitup's Business Plan and is intended to be integrated into Section 8 on Risk Assessment in the final approved document.

TCFD / ISSB Pillar 1: Governance

The Pikitup Board of Directors bears ultimate accountability for climate-related risks and opportunities. The following governance changes are proposed for 2026/27:

- Establishment of a Board-level ESG and Climate Oversight mandate, assigned to the Audit and Risk Committee (ARC).
- Quarterly management reporting on climate risk indicators, GHG emissions, and sustainability KPIs.
- Annual Board review of Pikitup's Climate Risk Register and ESG performance against published targets.
- Integration of ESG performance metrics into Senior Management performance agreements and scorecards.

TCFD / ISSB Pillar 2: Strategy — Physical and Transition Climate Risks

Risk	Type	Description and Impact on Pikitup
Landfill Flooding	PHYSICAL	Extreme rainfall events damage landfill infrastructure and accelerate leachate contamination of groundwater at Robinson Deep and Goudkoppies.
Fleet Heat Degradation	PHYSICAL	Extreme heat accelerates vehicle degradation and reduces collection efficiency during heatwaves. EPWP worker heat stress is a related OHS liability.
Organic Waste Decomposition Rate	PHYSICAL	Higher temperatures accelerate decomposition, increasing methane generation and public health risk, raising emergency collection demand.
Regulatory Carbon Pricing	TRANSITION	South Africa's carbon tax trajectory increases the cost of unmanaged LFG emissions and diesel fleet operations over the medium term.
Green Finance Conditionality	TRANSITION	DFI and green bond lenders increasingly require TCFD/GRI disclosure as a funding conduit condition — Pikitup's current absence of disclosure limits access.
Reputational / ESG	TRANSITION	Absence of ESG reporting is increasingly flagged by oversight

Risk	Type	Description and Impact on Pikitup
Disclosure Risk		bodies, development partners, and the media as a governance gap.

TCFD / ISSB Pillar 2: Climate-Related Opportunities

- Landfill Gas Capture and Carbon Credits: Robinson Deep and Goudkoppies represent significant LFG capture potential. Registering with a carbon credit standard (Gold Standard or Verra VCS) could generate supplementary revenue estimated at R5–R15 million per annum, subject to feasibility.
- Green Bonds for Infrastructure: Alignment with Climate Bonds Initiative Waste Criteria enables Pikitup to structure a green bond or DFI-backed loan for MRF, AWTT, or fleet electrification capital expenditure.
- EPR Revenue Enhancement: Active engagement with PROs under EPR regulations — for paper, packaging, and e-waste — can unlock infrastructure co-investment and per-tonne recovery payments.
- RNG / Waste-to-Energy Revenue: Medium-to-long-term revenue from energy recovery at landfill and AWTT facilities (target: operational from 2028+).
- G20 South Africa Presidency: Strategic window to engage DFIs — New Development Bank, African Development Bank, Green Climate Fund, DBSA — for concessional green infrastructure finance.

TCFD / ISSB Pillar 3: Risk Management

Action	Description	Timeline
Establish GHG Emissions Baseline	Commission Scope 1 (fleet, LFG), Scope 2 (electricity), and Scope 3 (upstream/downstream) GHG inventory.	Q2 2026/27
Climate Risk Integration into ERM	Formally incorporate climate physical and transition risks into the Enterprise Risk Management register.	Q1 2026/27
Landfill Climate Resilience Assessment	Commission assessment of Robinson Deep and Goudkoppies against 1.5°C and 2°C warming scenarios.	Q3 2026/27
Fleet Transition Roadmap	Develop 5-year fleet decarbonisation roadmap with CNG and EV milestones.	Q2 2026/27
EPWP Heat Stress Protocol	Implement OHS heat stress protocols for outdoor EPWP workers during extreme heat events.	Q1 2026/27

Action	Description	Timeline
LFG Capture Feasibility Study	Commission technical and financial feasibility for LFG capture and carbon credit generation.	Q4 2026/27

TCFD / ISSB Pillar 4: Metrics and Targets (Proposed for 2026/27)

Metric	Proposed Target	Global Benchmark
GHG Emissions Baseline (Scope 1 & 2)	Establish by Q2 FY2026/27	WM Inc.: 15.3M tCO2e baseline set in 2021
Landfill Diversion Rate	25% by 2030 (from ~12–15%)	Renewi: 65%; WM Inc.: 25M t/yr recovery by 2030
Fleet Alternative Fuel Share	10% non-diesel by 2028	WM Inc.: 70% alternative fuel by 2025
LFG Capture Feasibility	Complete study by Q4 FY2026/27	WM Inc.: 144 LFG capture sites; SUEZ: 350 GWh biogas
Recycling Contamination Rate	Reduce to less than 15%	WM Inc.: 10% target; currently ~16% average
ESG / Sustainability Report	Publish GRI-aligned report by Q4 FY2026/27	Industry standard: annual GRI + CDP + TCFD disclosure
EPWP Work Opportunities	Minimum 2,450	Aligned to national EPWP programme targets
S@S Diversion Tonnage	Year-on-year increase (baseline to be confirmed)	NWMS: 50% of municipalities with S@S by 2027

ESG Framework Alignment Summary

Pikitup aligns its sustainability governance to: (1) GRI Standards — multi-stakeholder impact reporting covering environmental, social, and governance factors (10,000+ organisations globally); (2) ISSB IFRS S2 / TCFD — climate-related financial risk disclosure structured around Governance, Strategy, Risk

Management, and Metrics and Targets; (3) UN SDGs — particularly SDG 11 (Sustainable Cities), SDG 12 (Responsible Consumption), SDG 13 (Climate Action), and SDG 8 (Decent Work and Economic Growth); (4) UNEP Global Waste Management Outlook 2024 — municipal solid waste best practice benchmarks and global trajectory guidance; (5) Climate Bonds Initiative Waste Criteria — green bond eligibility for MSW, diversion, and energy recovery assets.

ANNEXURE B: GLOBAL WASTE MANAGEMENT COMPANY BENCHMARKS

This annexure provides detailed reference information on the global waste management companies and international frameworks against which Pikitup's 2026/27 Business Plan has been benchmarked. These benchmarks informed the revised strategic priorities, ESG targets, and climate risk disclosures embedded throughout the plan.

B.1 Waste Management Inc. (WM) — United States

Dimension	WM Inc. Position	Lesson for Pikitup
Scale	150+ million customers; 135+ landfill sites; operations across North America	Demonstrates scalable integrated service model
GHG Targets	42% absolute Scope 1 & 2 reduction by 2031 — validated by SBTi; aligned to 1.5°C	SBTi validation builds DFI and investor confidence; Pikitup should set trajectory
Diversion / Recycling	Target: 25 million tonnes/year recovery by 2030 (60% increase from 2021 baseline)	25% diversion target for Pikitup by 2030 is achievable and conservative
LFG / RNG	144 LFG capture sites; 21 RNG plants generating 24 million MMBtu/year by 2026	LFG capture at Robinson Deep and Goudkoppies is the priority near-term climate investment
Fleet	70% alternative-fuel fleet (CNG primary); 100% renewable energy at controlled sites by 2025	CNG fleet transition is Pikitup's most immediate fleet decarbonisation pathway
ESG Reporting	Annual GRI-aligned Sustainability Report; CDP Climate disclosure; full TCFD Annual Report	First GRI-aligned report by Q4 2026/27 is the baseline disclosure requirement

B.2 Biffa — United Kingdom

Dimension	Biffa Position	Lesson for Pikitup
Scale	20% UK municipal market share; >10,000 employees; >£2.1B revenue (FY2026 est.)	Scale built through PPP, acquisitions, and integrated service model

Dimension	Biffa Position	Lesson for Pikitup
Climate Target	Net Zero by 2050; interim Scope 1 & 2 targets; full TCFD-aligned disclosure	Net Zero commitment attracts green finance — medium-term goal for Pikitup
Recycling Innovation	Leading polymer recycling; MRF operator across Great Britain; acquired Renewi UK municipal business	MRF PPP model is the most viable near-term circular economy infrastructure path for Pikitup
Fleet Transition	EV and CNG fleet transition underway; AI-powered digital route optimisation	Digital route optimisation delivers measurable cost and emissions savings
ESG Reporting	Annual GRI Standards sustainability report; CDP disclosure; TCFD aligned Annual Report	Combined GRI + TCFD reporting is the standard Pikitup should target

B.3 Renewi — Netherlands / Belgium

Dimension	Renewi Position	Lesson for Pikitup
Diversion Rate	Over 65% recycling rate — among the highest in the global industry	Pikitup's 25% by 2030 target is credible. 65% demonstrates the long-term ceiling of ambition
Circular Economy	Secondary material revenue streams at scale: glass, plastic, high-grade compost	Developing secondary materials markets alongside S@S is essential for financial viability
Business Model	Transitioned to private consortium; partnership model maximises capital and expertise	AWE PPP and MRF PPP follow the Renewi model — partnership over pure public provision
ESG Reporting	GRI-aligned annual reporting; CDP; TCFD; strong circular economy investor narrative	Circular economy narrative is a green finance asset — Pikitup must build this story

B.4 SUEZ — France (Global Operations)

Dimension	SUEZ Position	Lesson for Pikitup
Scale	Operations in 40+ countries; integrated water and waste environmental services	Global multi-service model; potential PPP or technology partnership candidate for Pikitup AWTT
Biogas / RNG	350 GWh biogas facility at Seine Aval (commissioned July 2025); 130,000 tonnes sludge/year	Biogas from organic waste is proven at municipal scale — directly applicable to Pikitup landfill gas strategy
R&D Innovation	5-year CNRS partnership (2025); focus on PFAS reduction, sludge recovery, hydrothermal gasification	Innovation partnerships with South African universities (e.g., Wits, UJ) follow the SUEZ R&D model
Climate Strategy	Climate resilience and digital transformation as core strategy pillars — not supplementary	Climate resilience must be embedded in Pikitup's core strategy, not treated as a reporting add-on

B.5 Cleanaway — Australia

Dimension	Cleanaway Position	Lesson for Pikitup
Strategy	Blue Planet strategy — integrating acquisitions to offer unified industrial and municipal service	Integrated strategy narrative (equivalent of Pikitup's MTSP reform) builds investor confidence
WtE / AWTT	Pioneering Australia's first large-scale Energy-from-Waste facilities (2026 commissioning)	E-from-W is scalable in emerging market contexts. PPP model reduces Pikitup's upfront capital risk
Digital Operations	Real-time fleet monitoring; AI-assisted route planning; digital customer service	Digital investment in route optimisation and fleet telematics is the highest near-term ROI for Pikitup
ESG Reporting	Annual Sustainability Report; ASX climate disclosure requirements; stakeholder materiality assessment	Materiality assessment is the foundation of credible GRI reporting — Pikitup must conduct one

B.6 Key Global Frameworks Referenced in This Business Plan

Framework	Scope	Relevance to Pikitup
UNEP Global Waste Management Outlook 2024	Municipal solid waste global trajectory, cost of inaction, circular economy value case	Primary benchmark source for waste volume, cost, and diversion target context
GRI Standards	Multi-stakeholder sustainability reporting — environmental, social, governance	Target framework for Pikitup's first Sustainability Report (Q4 2026/27)
ISSB IFRS S1 & S2 (absorbs TCFD)	Climate-related financial disclosure — four pillars: Governance, Strategy, Risk, Metrics	Framework for climate risk section in Annual Report and Board governance
Science Based Targets initiative (SBTi)	GHG reduction target validation aligned to 1.5°C Paris Agreement	Validates Pikitup's GHG trajectory once baseline is established (2027/28 target)
Climate Bonds Initiative — Waste Criteria	Green bond eligibility standards for MSW, diversion, and energy recovery assets	Enables green bond structuring for MRF, AWTT, and fleet capital expenditure
UN Sustainable Development Goals (SDGs)	Global development goals — SDGs 1, 6, 8, 10, 11, 12, 13, 16, 17	Policy alignment for DFI funding applications and shareholder reporting
CDP (Carbon Disclosure Project)	Global environmental disclosure — climate, water, forests	Medium-term disclosure target; strengthens access to institutional green capital

Strategic Recommendation: G20 South Africa Presidency — Green Finance Window

South Africa's G20 Presidency in 2025 created a time-limited window to engage Development Finance Institutions — including the New Development Bank, African Development Bank, Green Climate Fund, and DBSA — for concessional infrastructure finance. Once Pikitup formalises its alignment to GRI, ISSB, and SDG frameworks through a published Sustainability Report, it will be well-positioned to access green finance instruments targeting waste infrastructure, fleet decarbonisation, and circular economy development in Africa.