



JOHANNESBURG WATER (SOC) LTD

2026/27

BUSINESS PLAN

Final

(Version: 18 May 2026)

Table of Contents

OFFICIAL SIGN-OFF.....	5
ABBREVIATIONS AND ACRONYMS.....	6
CHAPTER 1:.....	8
1. EXECUTIVE SUMMARY	9
CHAPTER 2:	14
2. STRATEGIC OVERVIEW	15
2.1 Vision.....	155
2.2 Mission	155
2.3 Organisational values.....	15
2.4 Core mandate.....	15
2.5 The business model	17
2.6 Legislation and policy environment	19
2.7 Strategic objectives	200
CHAPTER 3:.....	29
3. STRATEGIC ANALYSIS	290
3.1.1 Service delivery, Infrastructure backlog and challenges.....	30
3.2 Environmental analyses.....	377
TOWS.....	377
PESTLE.....	41
3.3 Enterprise Risk Management	422
3.3.1 Risk Management Approach	433
3.3.2 Understanding Significant Risks to the Business Plan	43
3.3.3 Emerging Business Risks.....	46
CHAPTER 4: STRATEGIC RESPONSE IMPLEMENTATION, PERFORMANCE.....	47

4.1	Key performance areas	48
4.1.1	Medium-term (2021-26) focus areas.....	48
4.1.2	Strategic Goals Programmes	49
4.2	Past performance	123
4.2.1	Corporate scorecards	125
4.2.2	Institutional SDBIP indicators	126
4.2.3	Entity's Balanced Scorecard	128
4.2.4	KPI definition	154
4.2.5	UISP Key Performance Indicators.....	176
4.2.6	Circular 88 indicators scorecard.....	178
4.2.7	C88 definition	182
4.2.8	Service Standards Charter	191
4.2.9	Service Standard definitions.....	194
CHAPTER 5: FINANCIAL IMPACT.....		202
5.1	Economic Outlook.....	203
5.2	Financial indicators.....	203
5.2.1	Bulk Water purchases.....	204
5.2.2	Profitability	205
5.2.3	Debt impairment.....	206
5.3	Controls over operating costs.....	207
5.4	Contracted services	208
5.5	Cash generated from operations.....	208
5.6	Solvency	210

5.7	Capital projects	210
5.8	Revenue and tariff analysis.....	2211
5.9	Proposed Tariff Increase	211
5.10	Proposed water restriction tariff.....	212
CHAPTER 6: MANAGEMENT AND ORGANISATIONAL STRUCTURES		215
6.1	Organisational structure.....	216
6.2	Management team.....	218
6.3	Organisational Capacity analysis	219
CHAPTER 7: COMMUNICATIONS AND STAKEHOLDER MANAGEMENT		
COMMUNICATIONS		220
7. COMMUNICATIONS AND STAKEHOLDER MANAGEMENT		221
7.1	Stakeholder matrix.....	221
CHAPTER 8: AUDIT RESOLUTION		225
AUDIT		225
8. AUDIT RESOLUTION		226
8.1	Progress resolution of audit findings	226
8.2	Comparisons of the previous audit opinions	226
ANNEXURES		228
ANNEXURE A: SUMMARY OF CAPITAL PROGRAMMES		229
ANNEXURE B: FINANCIALS		234

OFFICIAL SIGN-OFF

It is hereby certified that this Business Plan:

- was developed by the management of Johannesburg Water under the guidance of the Managing Director, Ntshavheni Mukwevho.
- considers all the relevant policies, legislation and other mandates for which Johannesburg Water is responsible; and
- accurately reflects the performance targets which Johannesburg Water will focus on achieving given the resources available for the 2026/27 Financial Year (FY).

Name	Designation	Signature	Date
Ntshavheni Mukwevho	Managing Director		19.05.2026
Dineo Majavu	Chairperson of the Board		19 May 2026
Dr Tebogo Modiba	Executive Director: Environment and Infrastructure Services		21/05/2026
Cllr Jack Sekwaila	Member of the Mayoral Committee: Environment and Infrastructure Services		21/05/2026

ABBREVIATIONS AND ACRONYMS

Abbreviation	Full description
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AMI	Advanced Metering Infrastructure
B-BBEE	Broad-Based Black Economic Empowerment
Capex	Capital Expenditure
CBD	Central Business District
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
CoJ	City of Johannesburg
COO	Chief Operations Officer
CRM	Customer Relationship Management
CSD	Central Supplier Database
DIFR	Disabling Injury Frequency Rate
DMA	District Metered Areas
DMA	District Management Areas
DWS	Department of Water and Sanitation
EE	Employment Equity
EPWP	Expanded Public Works Program
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
EWSETA	Energy and Water Sector Education and Training Authority
GDS	Growth and Development Strategy
GLU	Government of Local Unity
GFIS	Group Forensic Investigation Services
GRAP	Generally Recognised Accounting Practices
GWEA	Government-Wide Enterprise Architecture
HR&CS	Human Resources and Corporate Services
ICT	Information and Communications Technology
IDP	Integrated Development Plan
IIOC	Integrated Intelligence Operations Centre
IoT	Internet of Things
IS-U	Industry Standard for Utilities
IT	Information Technology
Kl	Kilolitre
KPI	Key Performance Indicator
l/c/d	Litres per capita per day
LGSETA	Local Government Sector Education and Training Authority
LIMS	Laboratory Information Management System
LoS	Level of Service
mSCOA	Municipal Standard Chart of Accounts
MI	Megalitre
MoU	Memorandum of Understanding
MNF	Minimum Night Flows
MTS	Metro Trading Services
NDP	National Development Plan
NRW	Non-revenue Water
OCCR	Operating Cost Coverage Ratio
OHS	Occupational Health and Safety
Opex	Operational Expenditure
PPE	Property, Plant and Equipment
PPP	Public-Private Partnership
PRV	Pressure-reducing Valve
PWD	People with Disabilities
QCTO	Quality Council for Trades and Occupations
RDI	Research, Development and Innovation

RFQ	Request for Quotation
RSSC	Revenue Shared Services Centre
SANAS	South African National Accreditation System
SAP	Systems, Applications and Products in Data Processing
SCM	Supply Chain Management
SCADA	Supervisory Control and Data Acquisition
SDA	Service Delivery Agreement
SDBIP	Service Delivery Budget Implementation Plan
SETA	Sector Education and Training Authority
SMME	Small, Medium and Micro Enterprise
SPoMA	Single Point of Management Accountability
STS	Standards Transfer Specification
TOD	Transit-oriented Development
TAS24	Turnaround Strategy 2024
TS	Trading Services
UISP	Upgrading of Informal Settlements Programme
VIPs	Ventilated Improved Pit-latrines
WC/WDM	Water Conservation/ Water Demand Management
WDM	Water Demand Management
WULA	Water Use Licence Application
WWTW	Wastewater Treatment Works

CHAPTER 1:

EXECUTIVE SUMMARY

1. EXECUTIVE SUMMARY

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

The Business Plan is premised on the political direction contained in the Growth and Development Strategy 2040 (GDS), the Integrated Development Plan (IDP) 2021-26, the Service Delivery Budget Implementation Plan (SDBIP) 2026/27 and Mayoral Priorities. The Government of Local Unity (GLU) identified 11 Mayoral Priorities, and in response, the Entity developed Strategic Goals and Programmes as well as the Turnaround Strategy 2024 (TAS24) which is centered around five Johannesburg Water's immediate TAS24 Strategic Shifts (TSS), addressing the Water and sanitation services decline to deliver on the shareholder's priorities. Long-term under-investment, weakening financial performance and declining services have put CoJ's water and sanitation services in jeopardy, compromising their reliability for both the CoJ residents and business. This, in turn, negatively affects health, as well as new investments in the city to support job creation and economic growth.

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

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

The four over-arching GDS Outcomes are as follows:

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

The eleven Mayoral Priorities are.

- **P1** – Good governance
- **P2** – Financial sustainability
- **P3** – Energy Mix
- **P4** – Sustainable service delivery

- **P5** – Infrastructure development and refurbishment
- **P6** – Job opportunity and creation
- **P7** – A safer City
- **P8** – Active and engaged citizenry
- **P9** – Sustained economic growth
- **P10** – Green economy
- **P11** – A smart city

Johannesburg Water's Strategic Goals are:

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

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

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

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

on the improvements resulting from the turnaround strategy's implementation. The Trading Services Reforms Performance Assessment Improvement Action Plan (A3) will be delivered using the following primary emphasis areas as operational plans illustrated in table1 below:

Table 1: Johannesburg Water performance Areas.

Performance metrics	Commitments/ Indicators
Accountability Performance-SPOMA:	Eight Commitment Requirements: M1: SPOMA Service Compact M2: SPOMA Appointment M3: SPOMA Organisational Structure M4: SPOMA Delegations M5: Financial Model and Business and Investment Plan M6: Budget Support of Business and Investment Plan M7: Financial Transparency – Separate AFS M8: Support for Management of Organisational Change There are eight Indicators for minimum commitment which have all been allocated to different departments and entities in the City. Johannesburg Water provides updates on three of the eight commitments to COJ RWG on a monthly basis i.e. M5, M7 & M8
Accountability Performance- Financial:	Five Performance Indicators: A1: Customer surveys A2: Financial Accounting - mSCoA compliance A3: Public procurement transparency A4: Capital Budget Execution A5: Core technical & management capacity
Financial performance	Six Performance Indicators: F1: Financial viability OCCR F2: Cash collection rate F3: Operational cash flow F4: Customer debt management – debtors Days F5: Infrastructure spending (capex on PPE) F6: Self-financing ratio
Operational performance:	Eleven Performance Indicators: W1: Water Security –system input volume as % raw water allocation W2: Drinking Water Systems - Blue Drop W3: Wastewater Treatment Systems - Green Drop W4: Wastewater Final Effluent Quality W5: Water Network performance – mains failures / 100 km W6: Sewer Network performance – blockages / 100 km

Performance metrics	Commitments/ Indicators
	W7: Physical water loss - Infrastructure Leak Index W8: Water Service Complaints Response % in 48 hours W9: Sewer Service Complaints Response % in 48 hours W10: Non-Revenue Water (%) W11: Metering performance
Utility mandate:	Additional 8 KPIs on mandate of entity KPI26: Percentage compliance with drinking water quality standard on E. Coli (SANS 241) KPI27: Number of additional households provided access to interim water at minimum LoS 1 in informal settlements. KPI28: Number of additional households provided access to interim sanitation at minimum LoS 1 in informal settlements KPI29: Renewal rate of water and sewer networks and WWTW based on value KPI30: Percentage total B-BBEE procurement spent on qualifying SMMEs. KPI31: Audit opinion issued by AGSA. KPI32: Percentage of female employees KPI33: Disabling injury frequency rate

The Strategic Goals and the TAS24 Strategic Shifts guide the Entity in delivering the Mayoral Priorities. Not all Mayoral Priorities are included; only those that are applicable to the Entity are reflected in the BP.

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

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

The financial capital to deliver on this plan is through a capital budget of R1.96 billion, an operating expenditure budget of R20.344 billion, and revenue of R20.822 billion. The Company's human capital of 3 100 employees (as of 31 March 2026) will be utilised to deliver on the plan. In executing the plan, the following strategic risks have been identified, and mitigations will be applied and monitored frequently:

- Security of Supply (Water demands outstripping supply)
- Declining Payment Levels
- Inadequate Funding of Infrastructure & Operations (Incl. Renewal, Mega & Expansion Projects)
- Increasing Non-Revenue Water

- Bulk Infrastructure Failure
- Wastewater Spillages
- Significant Dependencies on City Compromising Long-term Planning, Optimal Operations/ Service Delivery & Sustainability
- Stakeholder Dissatisfaction and Active Opposition
- Failure of the Johannesburg Water Turnaround Strategy 2024
- Public Health and Safety
- Misalignment of Organisational Structure, Capacity and Business Strategy
- Inability to recover from Major Business Interruptions and Disasters
- Compromised health, safety and wellbeing of employees on duty
- Climate Change Adverse Events
- Slow Adoption of New Technologies
- Cyber Security Breaches
- Inability to effectively attract, develop and retain talent for the stability of the organisation and its operations.
- Vandalism and Theft of Infrastructure
- Unethical Behaviour

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

Capacity to deliver.

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

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

CHAPTER 2:

STRATEGIC OVERVIEW

2. STRATEGIC OVERVIEW

2.1 Vision

A World-Class African water and sanitation utility.

2.2 Mission

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

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

2.3 Organisational values

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

2.4 Core mandate.

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

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

The entity provides services to an area stretching from Orange Farm in the south to Midrand in the north, Roodepoort in the west and Alexandra in the east, as depicted in Figure 1. Johannesburg Water has six operating regions, with ten network depots and six WWTW, with a total of 3 100 employees (31 March 2026).

The Company supplies 1.726 billion liters of potable water per day, procured from Rand Water through a water distribution network of 12 526 km, 129 reservoirs and water towers, and 37 water pump stations. Wastewater is then collected and reticulated via a 11 956 km wastewater distribution network and 38 sewer pump stations. Johannesburg Water treats an average of 819 MI of sewage per day at its six WWTW.

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



Figure 1: City of Johannesburg Regions and Johannesburg Water depots

2.5 The business model

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

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

Table 2: Johannesburg Water business model

Key partners	Key activities	Value propositions	Customer relationships	Customer segments
• Rand Water • City Power • Eskom • Department of Water and Sanitation • Department of Human Settlement • Johannesburg Roads Agency • CoJ - Department of Human Settlement • CoJ-Group Finance Department	• Distribution of potable water • Servicing of Informal Settlements • Wastewater treatment and effluent reuse • Infrastructure renewal and expansion • Water Conservation / Water Demand Management (WC/WDM) • Meter Reading	• Piped potable water. • Tanked potable water. • Piped sanitation services • Permanent basic sanitation services • Rudimentary sanitation services	• IDP – public participation	• Residents in formal areas • Residents in informal areas • Businesses • Industries • Schools • Churches • Universities • Government Departments
	Key resources/ Input • Financial capital • Intellectual capital • Human capital • Social and relationship capital • Natural capital		Channels • Call-centre • Social Media platforms • Walk-in centres • Depots • Short Message Services (SMS) • Website	
Cost structure • Cost of sales: R10.442 billion • Bad Debt: R5.513 billion • Operational expenditure: R5.033 billion • Interest Expense: R387 million • Net profit: R2.272 billion • Gross profit margin 51.5%			Revenue streams • Revenue: R21.520 billion (water sales and sanitation services) • Grant funding: R1.103 million • Equitable Share R695 million • Interest income: R330 million	

2.6 Legislation and policy environment

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

- Basic Conditions of Employment Act, No.75 of 1997
- Broad-Based Black Economic Empowerment Act, No.53 of 2003
- Companies Act, No.71 of 2008
- Compensation for Occupational Injuries and Diseases Act, No.130 of 1993
- Disaster Management Act, No.57 of 2002
- Employment Equity Act, No.55 of 1998
- Hazardous Substances Act, No.15 of 1973
- Income Tax Act, No.58 of 1962
- Infrastructure Development Act, No.23 of 2014
- Labour Relations Act, No.66 of 1995
- Legal Metrology Act, No.9 of 2014
- Municipal Finance Management Act, No.56 of 2003
- National Environmental Management: Biodiversity Act, No.10 of 2004
- National Environmental Management Act, No.107 of 1998
- National Environmental Management: Waste Act, No.59 of 2008
- National Water Act, No.36 of 1998
- Natural Scientific Professions Act, No.27 of 2003
- Occupational Health and Safety Act, No.85 of 1993
- Preferential Procurement Policy Framework Act, No.5 of 2000
- Prevention and Combating of Corrupt Activities Act, No.12 of 2004
- Promotion of Access to Information Act, No.2 of 2000
- Promotion of Equality and Prevention of Unfair Discrimination Act, No.4 of 2000
- Protection of Personal Information Act, No.4 of 2013
- Skills Development Amendment Act, No.97 of 1998
- Skills Development Levies Act, No.9 of 1999

- Protected Disclosures Act, No.26 of 2000
- Unemployment Insurance Contributions Act, No.4 of 2002
- Unemployment Insurance Act, No.3 of 2001
- Value-added Tax Act, No.89 of 1991
- Water Services Act, No.108 of 1997
- Accreditation for Conformity Assessment, Calibration and Good Laboratory Practice Act, No. 19 of 2006

2.7 Strategic objectives

The focal point of the Business Plan is to accelerate the 2026/27 strategic course of the GLU as outlined in support of the 2021/26 IDP read with the GDS. The revised Shareholder Strategy advocates a paradigm shift in terms of the service delivery focus areas in the 2026/27FY.

In executing its mandate, the Company has taken cognisance of the vision of the CoJ, which is detailed in GDS 2040. The GDS, therefore, frames the IDP, charting long-term ambitions, strategies and overarching decisions relating to prioritised areas of focus. The 2011 GDS has been consciously aligned to the IDP (medium-term plan) which is a five-year plan that is also subjected to annual review. This practice will remain, ensuring that the GDS is translated effectively into medium-term programmatic operational planning and budgeting. In light of this, the development of the Business Plan takes into consideration the Entity's Turnaround Strategy 2024 (TAS24) directed through the five strategic shifts for improvement implemented from the 2024/25 FY in order to realise the Mayoral Priorities and support the four Outcomes of the GDS as depicted in tables 3 and 6:

Table 3: GDS 2040 Outcomes

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

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

Mayoral Priorities

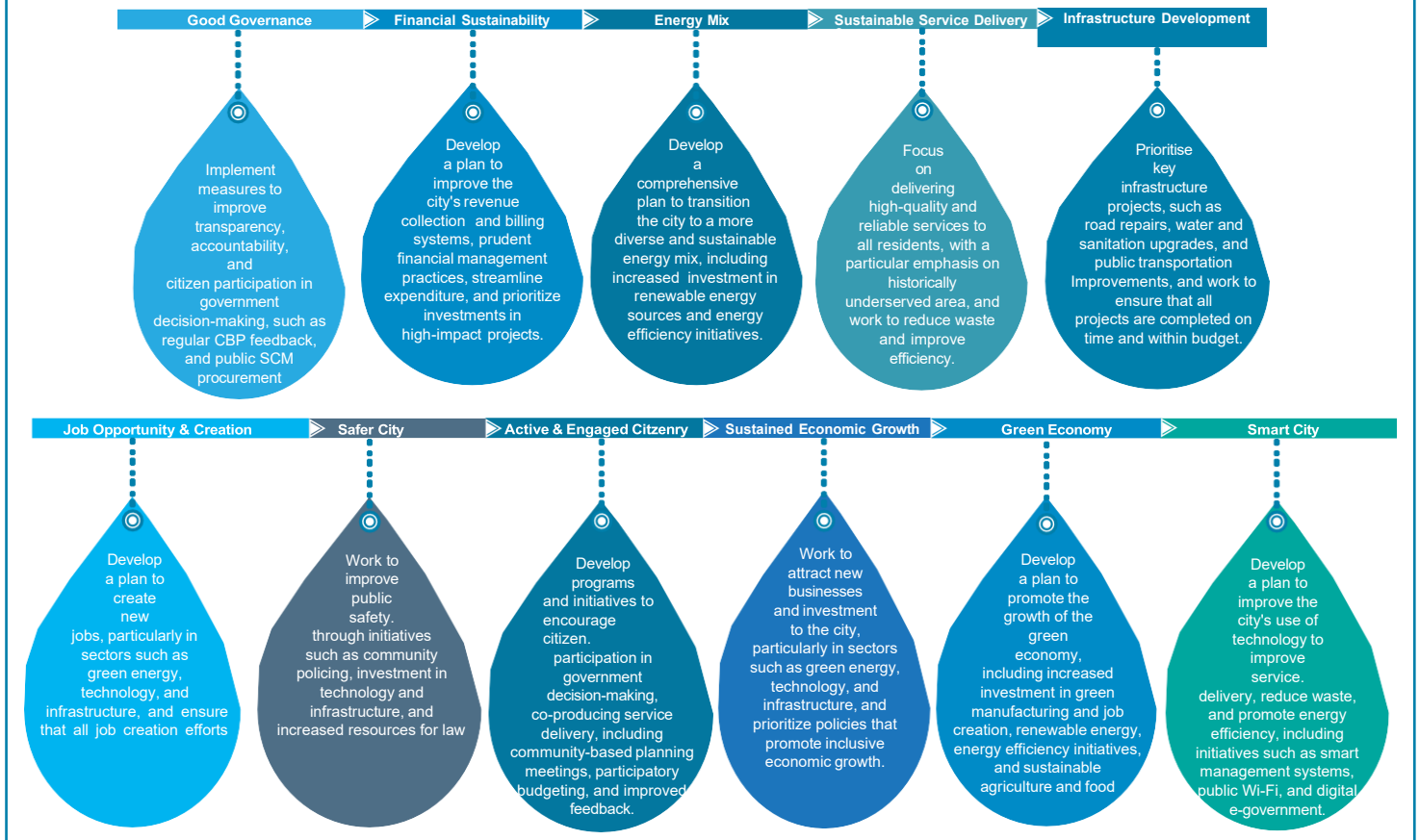


Figure 2: Mayoral priorities

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

Table 4: Johannesburg Water Strategic goals and objectives

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

The main strategic interventions for improvement for 2026/27 FY, which are to be implemented by the Entity to realise the TAS24 outcomes, are as follows:

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

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

Table 5: The Five TAS24 Strategic Shifts

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

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

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

GDS outcomes	GDS outputs	Mayoral Priorities	Johannesburg Water Strategic Goal	Johannesburg Water Strategic Shift	Johannesburg Water Programme
1. Improved quality of life and development-driven resilience for all.	- A society characterised by healthy living for all. - Safe and secure city.	P7: A safer city	SG2: Deliver water and sanitation services of good quality that is accessible, reliable, and efficient.	TSS4: Ramp up investment in both asset renewal and expansion.	Prevention of infrastructure theft and vandalism.
2. Provide a resilient, liveable, sustainable urban environment underpinned by smart infrastructure supportive of a low carbon economy	- Sustainable and integrated delivery of water. - Sustainable and integrated delivery of sanitation. - Sustainable human settlements. - Climate change resilience and environmental protection.	P4: Sustainable service delivery	SG2: Deliver water and sanitation services of good quality that is accessible, reliable and efficient.	TSS4: Ramp up investment in both asset renewal and expansion.	- Infrastructure upgrade. - Repairs and maintenance of networks. - Water quality assurance.
		P5: Infrastructure development and refurbishment	SG3: Operate in a manner that promotes environmental conservation and sustainability.	TSS4: Ramp up investment in both asset renewal and expansion.	- Wastewater Treatment Works (WWTW) programme. - Water demand management systems. - Water quality. - Environmental compliance.

GDS outcomes	GDS outputs	Mayoral Priorities	Johannesburg Water Strategic Goal	Johannesburg Water Strategic Shift	Johannesburg Water Programme
3. An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens.	- Job-intensive economic growth. - Increased competitiveness of the economy.	P9: Sustained Economic Growth. P6: Job opportunity and creation.	SG 1: Utilise infrastructure delivery to create jobs, support SMMEs and attract investment.	TSS4: Ramp up investment in both asset renewal and expansion.	- Economic developmental nodes. - Upgrading and renewal of networks. - Expansion of WWTW programme. - Transit-oriented Development (TOD) and Corridors of Freedom. - Water demand management. - Reservoir storage capacity.
		P 11: A smart City.	SG 6: Use of technology for effective and efficient operations.	TSS5: Establish capability for effective implementation.	- Field Service Management (including Customer Mobile App). - Customer Relationship Management (CRM). - Business process – Digital by design (eProcurement, eRecruitment, etc.). - Automated Fleet Management - Innovation and Technology Programmes.

GDS outcomes	GDS outputs	Mayoral Priorities	Johannesburg Water Strategic Goal	Johannesburg Water Strategic Shift	Johannesburg Water Programme
					Non-Sewered Sanitation.
4. A high performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region.	- Partnerships, intergovernmental & international relations. - A responsive, accountable, efficient, and productive metropolitan government. - Financially sustainable and resilient city. - Meaningful citizen participation and empowerment. - Guaranteed customer and citizen care and service. A 'Smart' City of Johannesburg, that is able to deliver quality services to citizens in an efficient and reliable manner (cross-	P1: Good governance.	SG 5: Enhance sound financial management, sustainability and good governance.	TSS 1: Re-align the customer and revenue value chain and increase cash collections. TSS 2: Restructure the financial relationship with the City for mutual success. TSS3: Re-establish independent corporate governance for effective performance	- Good Governance. - Zero tolerance to fraud and corruption. - Enhance SCM. - Corporate Governance. - Non-revenue water. - Ethics Awareness. - Integrity Management.
		P2: Financial Sustainability.	SG 5: Enhance sound financial management, sustainability, and good governance.	TSS3: Re-establish independent corporate governance for effective performance.	- Financial Performance and Management. - Non-revenue water. - By-law enforcement. - Revised credit control strategy. - Revised tariff structure. - Alternative infrastructure funding mechanisms. - Public-Private Partnerships (PPP).

GDS outcomes	GDS outputs	Mayoral Priorities	Johannesburg Water Strategic Goal	Johannesburg Water Strategic Shift	Johannesburg Water Programme
	cutting output).				• Risk and compliance
		P8: Active and Engaged Citizenry.	SG 4: Improve customer and stakeholder satisfaction.	TSS1: Re-align the customer and revenue value chain and increase cash collections.	• Realign customer & revenue value chain. • Internal Communication. • Customer Satisfaction Survey. • Stakeholder engagement and public participation. • Public education. • Media Relations and External Communication. • Community engagements. • Campaigns and outreach.

CHAPTER 3:

STRATEGIC ANALYSIS

3. STRATEGIC ANALYSIS

3.1.1 Service delivery, Infrastructure backlog and challenges.

Johannesburg Water has total infrastructure assets with a current replacement cost of R 127 billion as of 30 June 2025. The infrastructure consists of water networks (12 526km), sewer networks (11 956km), water and sewer pump stations (75), reservoirs and water towers (129, with a combined capacity of 1 943MI) and WWTW (six with a combined capacity of 1043 MI/day). CoJ water and sanitation service is experiencing serious challenges and is not sustainable. Long-term under-investment, weakening financial performance and declining services have put CoJ's water and sanitation services into a compromised position, in terms of reliability for both the CoJ residents and business, which in turn negatively affects health, as well as new investments in the city to support job creation and economic growth.

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

- An 8.97% increase in the frequency of water mains bursts, from 301 to 328 per 100 km per year between 2012 and 2025.
- An 52.38% increase in non-revenue water from 29.4% to 44.8% between 2007 and 2025.
- A 28% reduction in water storage capacity for the distribution system from 39 to 28 hours of average consumption between 2012 and 2022, compared to a benchmark of 48 hours, increasing the vulnerability of the CoJ's water supply to cuts in electricity supply, and resulting in more frequent and longer water supply interruptions.
- 20.89% increase in the number of sewer overflows from 384 to 464.21 per 100 km per year between 2012 and 2025.
- A 19% decline in wastewater treatment performance from 86 to 49 between 2013 and 2025, as measured by the Green Drop audits.
- Increasing wastewater treatment capacity deficits that limit economic development.

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

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

Five TAS24 Strategic Shifts to turnaround the decline:

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

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

The infrastructure renewal and capacity upgrading backlog (i.e., asset with remaining useful life between 0 – 2 years and assets which are due for upgrading) of R26.6 billion requirement is categorised as follows:

- Water supply network replacement: R2.7 billion
- Sewer conveyance network replacement: R3.3 billion
- Water and sewer capacity upgrading backlog: R12.8 billion.
- WWTW Infrastructure renewal/equipment replacement: R2.0 billion.
- WWTW capacity upgrading: R5.8 billion

The Trading Services Reforms Performance Improvement Action Plan (A3: PIAP) has been created to meet shareholder requirements from the to implement, monitor and report on the on the improvements resulting from the implementation of the TAS24 Strategic Shifts. The Trading Services Reforms Performance Improvement Action Plan will be delivered using the following primary emphasis areas as operational plans:

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

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

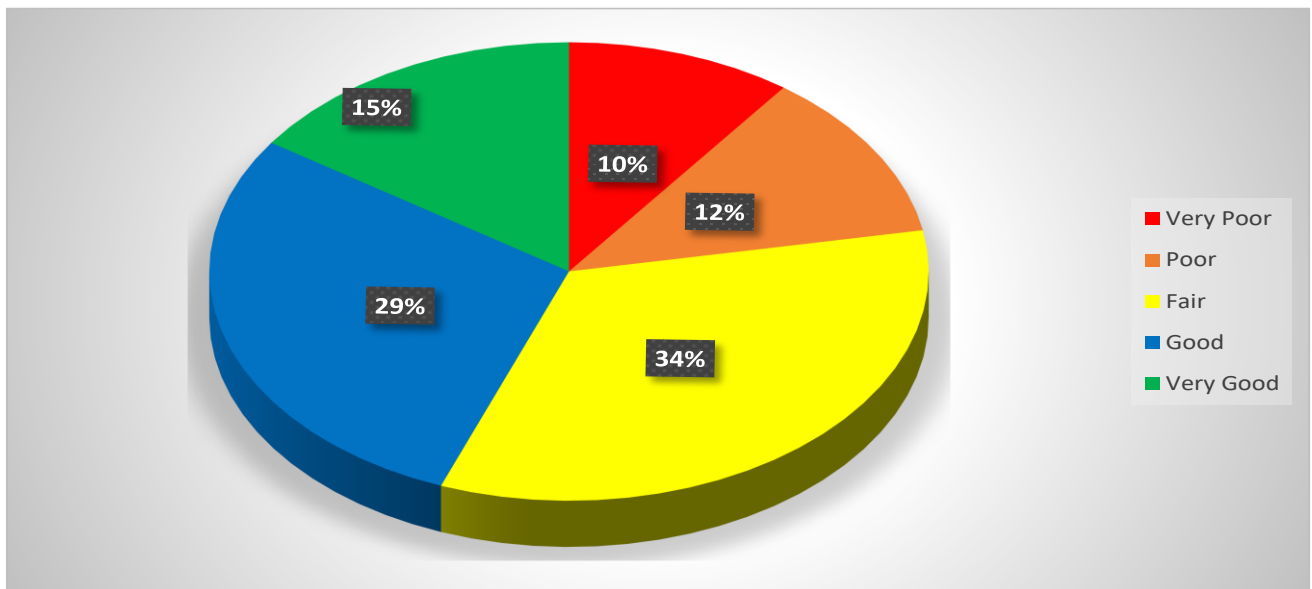


Figure 3: Assets condition profile distribution

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

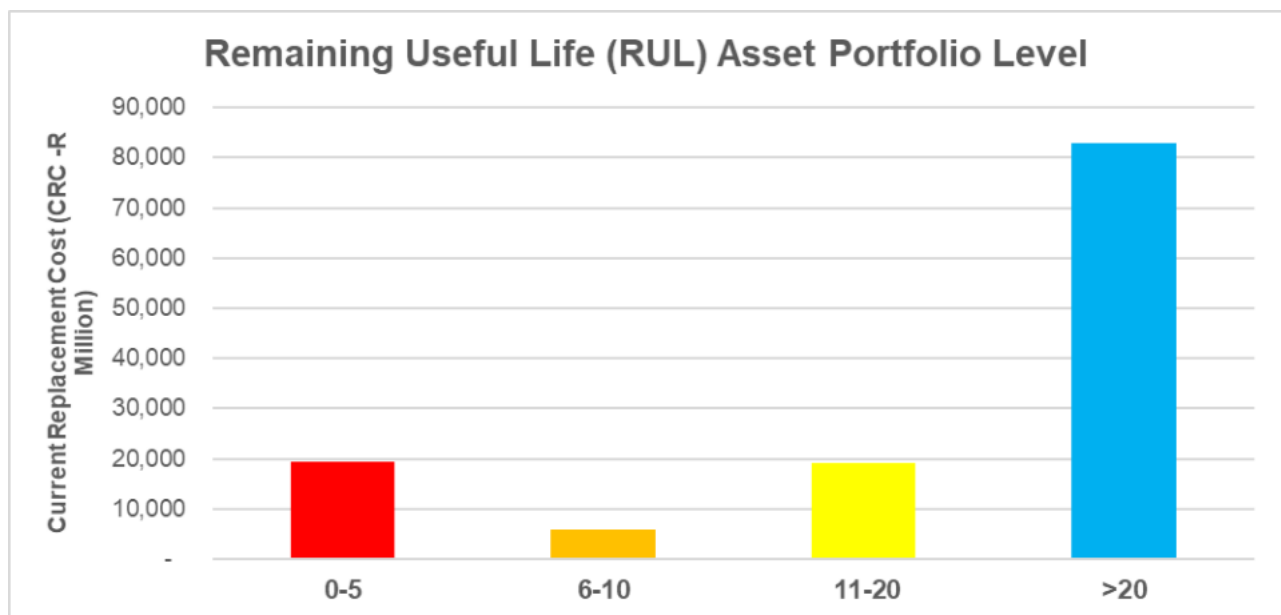


Figure 4: Remaining useful life

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

Table 7 depicts the remaining useful life of assets per asset category group.

Table 7: Remaining useful life of assets

Asset group	Remaining useful life (years) (CRC amounts – R million)				
	0–5	6–10	11–20	>20	Total
Water supply network	7,999	2,194	5,210	34,979	50,382
Wastewater network	9,255	1,118	10,212	42,199	62,784
Wastewater treatment works	1,964	2,377	3,653	5,457	13,451
Operational buildings	192	208	137	282	819
Total	19,410	5,897	19,212	82,917	127,436
Composition	15%	5%	15%	65%	100%

The average remaining useful life of Johannesburg Water's water and sewer pipeline is 51 years which translates to a renewal target of 2%. Over the past ten-year period, Johannesburg Water has never met the 2% renewal rate due to funding limitations.

Figure 5 provides the detailed past performance of the infrastructure renewal rate, which included pipe replacements at a target of 2%. Infrastructure renewal should amount to R2.5 billion per annum to meet the infrastructure renewal target of replacing 2% of its asset value per year to clear the backlog.

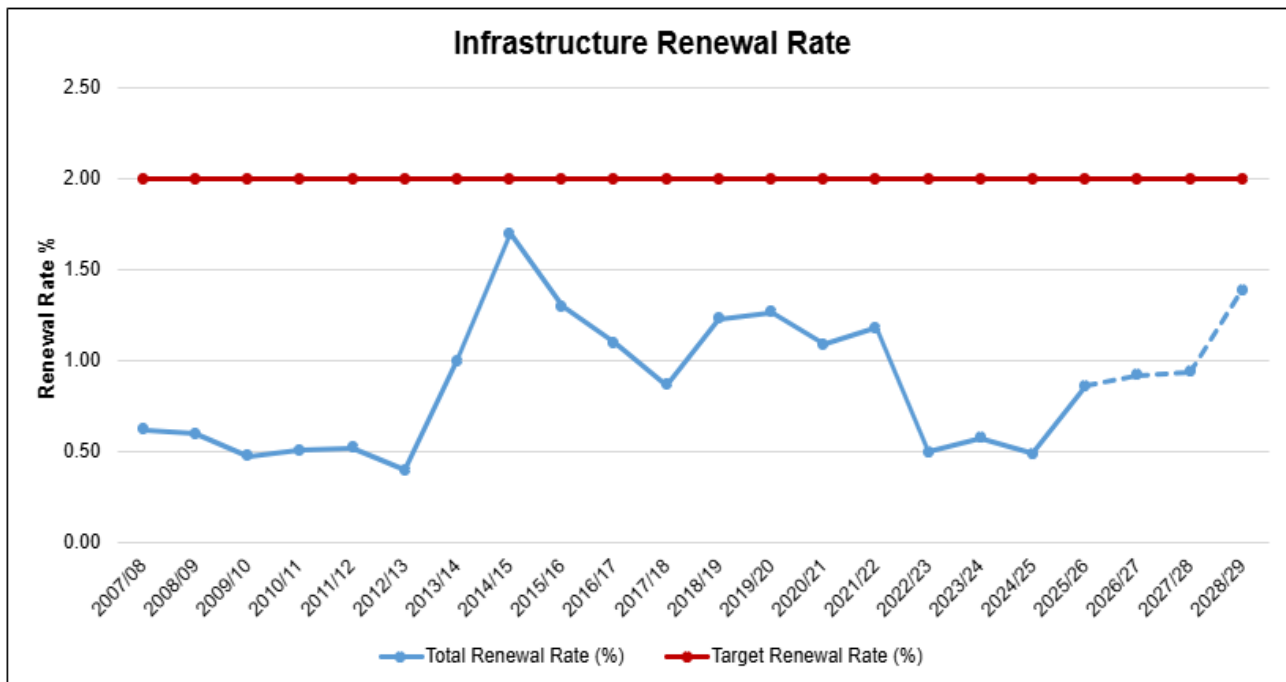


Figure 5: Johannesburg Water infrastructure renewal rate

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

Infrastructure deterioration results from not renewing infrastructure at the required rate which translates into a loss of infrastructure value. Johannesburg Water's infrastructure portfolio of R127 billion lost 50% of its value, which equates to R63.5 billion. This loss of value occurs from the moment each piece

of infrastructure is installed. This amount is therefore not an indication that the assets have collapsed or failed but is tracked year-on-year to ensure that budgeting for ultimate replacement at end of life is done ahead of time.

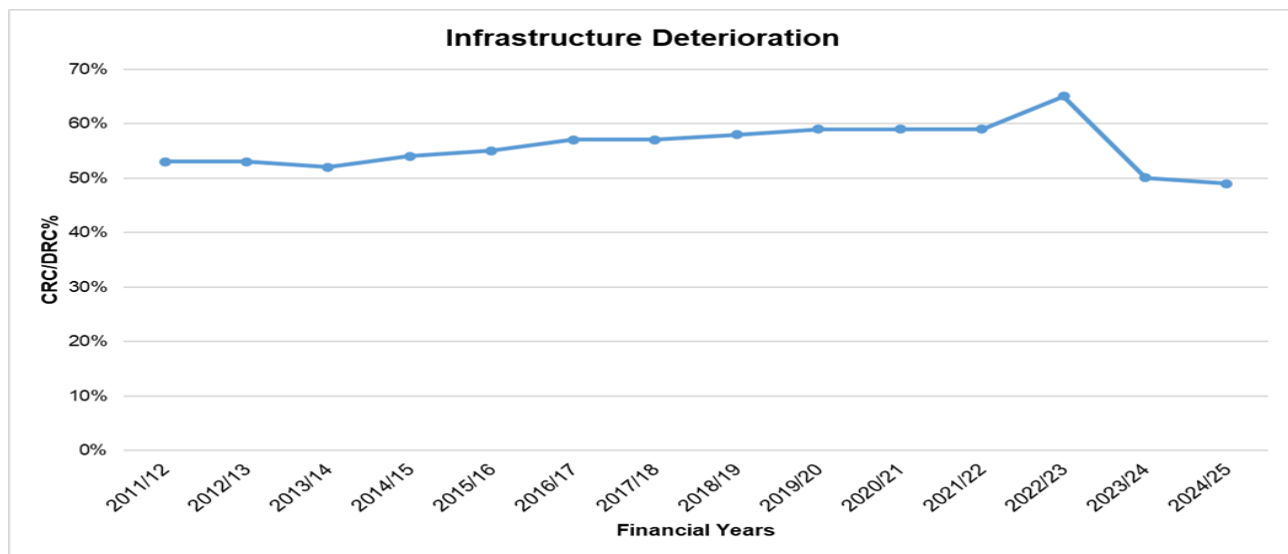


Figure 6: Johannesburg Water infrastructure deterioration

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

Infrastructure Asset Management

The Entity acknowledges that we are confronting a historical infrastructure renewal backlog across our core engineering networks. Through the City's multi-year Infrastructure Asset Management Improvement Programme (IAM IP) and the Joburg Infrastructure Plan, the Entity is aiming to fully implement the Turnaround Strategy 2024.

To drive this transition, the Entity is working with the City to ensure the progressive institutionalisation of the IAM IP, to forge an integrated system that links Strategic planning and infrastructure priorities, Asset management and lifecycle requirements, Capital and operational budgeting decisions, and Project preparation and delivery execution.

For the 2026/27 MTREF, the Entity is committed to the multi-year execution of two primary directives of the Joburg Infrastructure Plan to entrench and safeguard the essential 'line of sight' between strategy and execution, viz:

Directive 1: Implementation of the CoJ Group Asset Management Plan Guideline, and

Directive 2: Data Provision for the CoJ Group Infrastructure Asset Register

The CoJ Group Asset Management Plan Guideline and its timeframes are thus incorporated into the Entity's 2026/27 Business (and Investment) Plan for implementation, as indicated in Table 8 and Table 9 below:

Table 8: Directive on the Adoption and/or Adaptation of Johannesburg Water AMP to CoJ Group Guideline over the 2026/27 MTREF

ENTITY/ DEPARTMENT	END 2024/25	1 OCTOBER 2025/26	END 2025/26	END 2026/27	END 2027/28	END 2028/29
Johannesburg Water	State of IAMP & IAMP Development Plan	IAMP version 1.0	IAMP version 2.0	Full IAMP version 3.0	Full IAMP version 3.1	Full IAMP version 3.2

Table 9: Directive on Infrastructure Asset Data Inputs and Requirements for the CoJ Group Infrastructure Asset Register over the 2026/27 MTREF

ENTITY/ DEPARTMENT	END 2024/25	END 2025/26	END 2026/27	END 2027/28	END 2028/29
Johannesburg Water	Incorporate existing IAR information into the CGIAR	Incorporate Updated Conforming IAR information into the CGIAR	Incorporate Updated Conforming IAR information into the CGIAR	Incorporate Updated Conforming IAR information into the CGIAR	Incorporate Updated Conforming IAR information into the CGIAR

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

Table 10: Summary of networks capital investment requirements

Upgrade Category	Existing Upgrades (Current) R'000	Future (10-Year projection) R'000	Total 10-Year Requirement R'000
Water			
Bulk pipelines	4,982,072	1,345,285	6,327,357
Distribution mains	1,357,437	496,480	1,853,917
Reticulation	179,023	308,485	487,508
Sub-Total	6,478,537	2,150,250	8,668,782
Sewer			
Outfall sewers	459,654	813,196	1,272,850
Collector sewers	446,679	678,980	1,125,659
Reticulation	802,227	965,509	1,767,736
Sub-Total	1,708,560	2,457,685	4,166,248
Total	8,187,097	4,607,935	12,835,030

The existing upgrade of R8.2 billion is needed where capacity has already been exceeded and is therefore classified as backlog. Future upgrades are required for anticipated demand over the next 10 years. Network backlogs have increased significantly, posing a serious risk to development and economic objectives. The improvement of water and sewer infrastructure takes into consideration the upgrade of informal settlements requirements and marginalised areas. The upgrading requirements for informal settlements therefore form part of the R12.8 billion future upgrades.

Figure 7 below depicts that lower capital funding on renewal rates has a direct impact on the quality of services rendered to residents, this is depicted by the team productivity that has not improved much because of the increasing complexity of the service failures that need to be attended.

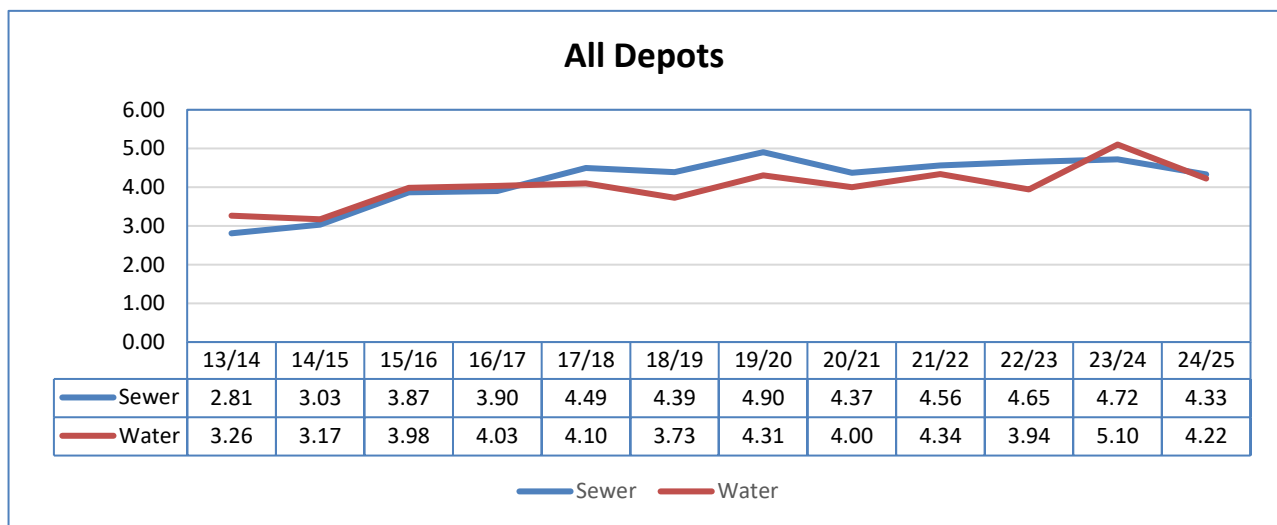


Figure 7: Number of bursts and blockages per km

Figure 8 shows the increase in the number blockages per year until 2016/17 for bursts and 2017/18 for blockages, after which the number for blockages started to decline with an increase again in 2019/20. It decreased in 2020/21 FY only to increase in 2021/22 FY; it then decreased for the subsequent FYs consecutively only to increase in 2024/25 FY. The water bursts show an increase in 2016/17 only, decreased from 2018/19 to 2020/21, then increased in 2021/22 to 2023/24 and subsequently decreased in 2024/25 FY.

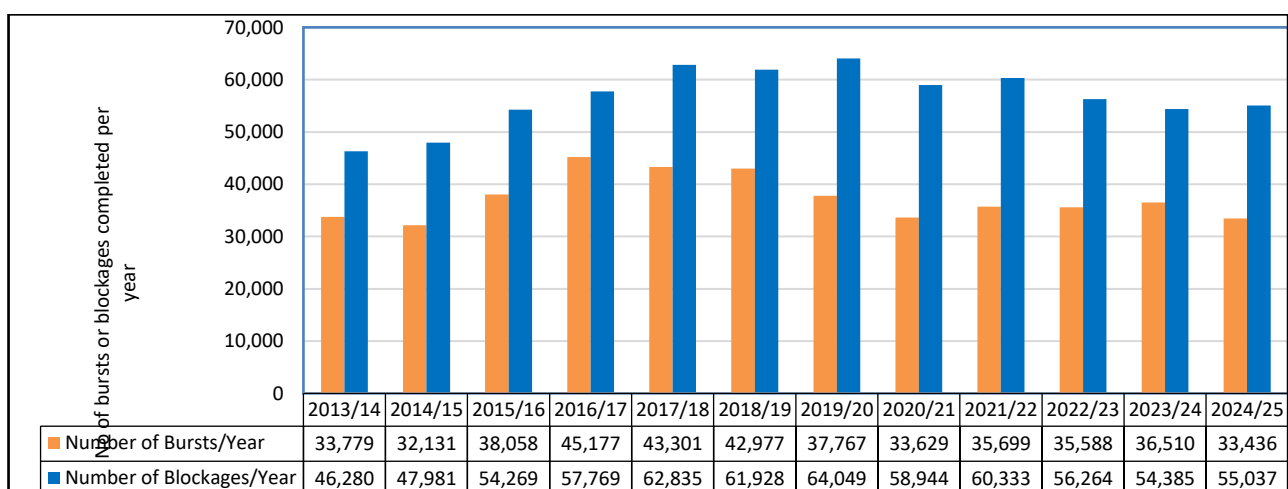


Figure 8: Bursts and blockages per year

The renewal of bulk wastewater electromechanical infrastructure through the implementation of the Infrastructure Renewal Plans is key to maintain the current treatment capacity and improve plant availability through enhanced improvements to electrical and mechanical efficiencies, thus improving effluent compliance. The capital investment required for renewal and capacity upgrade for the 10-year horizon is reflected in Table 11.

Table 11: Summary of Bulk wastewater capital investment requirements

Bulk Wastewater Category	Existing Renewal/ Upgrades (Current) R'000	Future (10-Year projection) R'000	Total 10-Year Requirement R'000
Bulk Wastewater			
Infrastructure Renewal	1,955,000	-	1,955,000
Capacity Upgrade	2,350,000	3,400,000	5,750,000
TOTAL	4,305,000	3,400,000	7,705,000

The resultant value of critical assets, which require replacement or renewal, is R25.23 billion (refer to Table 7, over the next 10-year period). This equates to a requirement of R2.52 billion per annum over the next 10 years for capital replacement or renewal, which is currently a barrier. In addition, the network upgrading and WWTW upgrading necessitates an amount of R15.3 billion over the 10-year period. The total combined amount needed is R58.8 billion, equivalent to R5.9 billion per annum for the upgrade and renewal of infrastructure over the 10-year horizon. In response to infrastructure renewal need and affordability, the proposed budget for Johannesburg Water over the next five years amounts to R13.8 billion.

3.2 Environmental analyses

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

TOWS

The TOWS matrix outlined in Table 12 highlights use the same acronyms as the SWOT analysis and focus on the same elements – Strengths, Weaknesses, Threats, and Opportunities. However, whereas a SWOT analysis simply lists the facts, a TOWS matrix helps to put the pieces together and formulate a plan to move forward. Johannesburg Water's strategic goals, as identified, strive to enhance the strengths and opportunities, while applying mitigating strategies to address the weaknesses and threats identified.

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

Four TOWS strategies/approaches considered:

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

Table 12: SWOT/TOWS analysis

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

THREATS (T)	STRENGTHS/THREATS(ST)	WEAKNESSES/THREATS(WT)
Threats: • Increased capacity demand. • Theft & Vandalism of infrastructure. • Theft of water. • Capital project stoppages by communities. • Material price increase – Input costs i.e., fuel. • Inadequate preparedness for natural disasters. • Third-party liability • Increasing resistance to metering. • Water security change. • Climate change. • Revenue collection. • Cash-flow management. • Loadshedding • Land invasion. • Climate adaptation • Scarcity of critical skills in the market. • Culture of non-payment of services. • Lack of continuity of Board Members. • Population growth migration. • Political Instability (populism) • Secondary beneficiaries. • Dependency on the City's procurement (centralised functions)	S-T Strategies: Use strengths to counteract threats. • By-law enforcement • Effective stakeholder engagement • Implementation of WC/WDM strategy. • Increase infrastructure investment. • Implementation of TAS24 • Upgrading and renewal of networks.	W-T Strategies: Minimized weaknesses to defend against threats. • By-law enforcement • Effective stakeholder engagement • Implementation of WC/WDM strategy. • Increase infrastructure investment. • Implementation of TAS24

PESTLE

The (PESTLE) analysis involves the collection and portrayal of information about external factors, which have, or may have, an impact on Johannesburg Water. These factors are detailed in Table 13.

Table 13: PESTLE strategic analysis

CATEGORY	FACTORS
Political	• Impact of frequent local government coalition arrangements • Service delivery protests and interruptions • Demand for services triggered by land invasion • Local government election
Economic	• Increased bulk water tariffs • Low economic growth rate • High unemployment rate • Increasing inflation • Fuel cost increases • Low payment and/or non-payment for services • Inability to raise independent funding • The CoJ and national Sovereign rating respectively • In-ward migration • Higher demand for social investment (financial impact on the organisation) • Volatility of interest rates • Energy availability • Unfavorable credit rating of the Country • Corruption, bribery etc. • Increase in inflation •
Social	• Urbanisation/immigration • Increased demand for services in informal settlements (financial impact on the organisation) and high-density settlements • Consumer awareness and ignorance on infrastructure usage, i.e., abuse of infrastructure • Vandalism of infrastructure • Consumer awareness of water as a scarce resource. • Higher demand for social investment (financial impact on the organisation) • Demand for better services in line with higher awareness of human rights. • Rising community activism (business forums) • Culture of non-payment for services including illegal connections • Population growth • Risk of unhealthy future population • Lawlessness that impacts provision of water and sanitation services

CATEGORY	FACTORS
Technological	• Rapid change in technology (Smart city requirements) • Communication infrastructure gaps • Research and technology advancement. • Lack of high-technology skills (countrywide) • Increase in level of cyber-attacks. • Influence of social media • Communication infrastructure gaps – to expand. • Rapid Change in technology (e.g. Artificial Intelligence) • Rapid Change in technology (e.g. Artificial Intelligence)
Legislative	• Compliance to legislative prescripts relevant to Johannesburg Water • Contractual obligations (including construction) • Directives by statutory bodies • Inadequate law enforcement • Inadequate bylaws
Environmental	• Climate change • Quality and environmental standards • Increased water demand • Carbon emissions • Acid mine drainage • Alternative water resources • Impact of drought • Spatial planning • Pollution of water resources • Energy availability

3.3 Enterprise Risk Management

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

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

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

3.3.1 Risk Management Approach

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

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

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

The following outcomes underpin risk management practices within Johannesburg Water:

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

3.3.2 Understanding Significant Risks to the Business Plan

The Board of Directors set the tone at the top for ERM within Johannesburg Water and this has been demonstrated through the alignment of risk management with strategy development processes within the Company. Strategic risk identification and assessment are considered a critical part of strategy development whereby the Board actively engages with respect to the potential risks and opportunities that can affect the achievement of Company goals.

A Board Strategic Planning and Risk Workshop was held on 03 and 04 December 2025 whereby discussions informed the determination of the company's strategic goals and lead to the development of this Business Plan. This approach identified Johannesburg Water's Strategic Risks to the development and implementation of the Business Plan, as well as significant risks to the overall sustainability of the organisation. The approach adopted by the Board ensures that an inherent risk assessment is

performed at Board level, followed by a review of existing controls and control effectiveness performed by Executives. This process concludes with the Strategic Risk Register that is presented to the Audit and Risk Committee for validation prior to final adoption by the Board.

The Company has adopted a 5 x 5 (25) rating scale method as reflected in Table 14, which was used in the assessment of Strategic Risks. The Strategic Risks of Johannesburg Water for the 2026/27 period are outlined in Table 15.

Table 14: Rating scale method

IMPACT	Critical 5	Low	Moderate 10	High 15	Very high 20	Very high 25
	Major 4	Low	Moderate 8	High 12	High 16	Very high 20
	Moderate 3	Low 3	Moderate 6	Moderate 9	High 12	High 15
	Minor 2	Low 2	Low 4	Moderate 6	Moderate 8	Moderate 10
	Rare 1	Low 1	Low 2	Low 3	Low 4	Low 5
		Rare 1	Unlikely 2	Possible 3	Likely 4	Almost certain 5
LIKELIHOOD						

Table 15: Strategic Risk register

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

3.3.1 Emerging Business Risks

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

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

CHAPTER 4:

STRATEGIC RESPONSE-

IMPLEMENTATION

PERFORMANCE

4. STRATEGIC RESPONSE - IMPLEMENTATION PERFORMANCE

4.1 Key performance areas

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

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

4.1.1 Medium-term (2021-26) focus areas

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

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

4.1.2 Strategic Goals Programmes

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

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

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

Job Creation and Investment in local economy

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

In 2026/27, Johannesburg Water plans to support 151 local SMMEs by rolling out infrastructure projects through subcontracting of at least 30% of the project budgets where feasible to Small Medium Enterprises (SMMEs). The direct cost for job creation for SMME/EPWP is based on the direct labour cost excluding equipment and material. Johannesburg Water will also unbundle large projects to suit SMME CIDB grading and capacity in particular instances.

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

Table 16 details the number of SMMEs to be supported and the number of jobs to be created as a result of the implementation of the various programmes. The CoJ encourages economic development and growth with the aim of creating jobs.

Table 16: Job Creation Plan – 2026/27

Programme	Number of entities	Entities owned by youth	Entities owned by women	Entities owned by disabled	Number of jobs created	Capital budget (R'000)	Estimated SMME/EPW P Cost
Pipe Replacement	48	17	8	3	321	70,178	22,090
Operations and Maintenance	8	3	1	1	134	30,477	9,593
O&M Chemical Toilets	0	1	0	1	0	-	-
Installation of Basic water and Sanitation	10	1	0	1	131	21,844	6,876
Water Demand Management	8	3	8	1	185	33,384	10,508
Bulk Wastewater	47	14	7	3	420	134,402	42,303
New Infrastructure	23	10	0	3	293	78,183	24,609
Other Projects (Security/ Depots)	7	3	0	1	896	44,626	14,047
	151	52	23	14	2 379	413,095	130,025

Infrastructure Investment

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

In response to infrastructure, renewal needs and backlogs, the proposed budget for Johannesburg Water over the next five years amounts to R 13.06 billion. Table 17 provides a detailed breakdown of the capital budget per category. In 2026/27, R1.96 billion will be invested in various programmes. These programmes have been structured in a manner that responds to political direction, CoJ priorities, and Johannesburg Water's strategic goals.

Table 17: Five-year capital budget

Category	2026/27 R 000	2027/28 R 000	2028/29 R 000	2029/30 R 000	2030/31 R 000
Corporate Requirements	99,000	64,000	90,000	220,000	170,000
Water Demand Management	232,783	222,700	167,000	388,000	300,000
Operate and maintain	337,343	101,000	205,000	345,000	530,000
Upgrading and Renewal	495,000	497,407	374,750	981,000	981,000
New Infrastructure	367,160	345,526	383,500	431,308	424,969
Planning and Engineering Studies	20,200	18,000	18,000	28,000	28,000
Marginalised Areas Program	65,000	110,000	150,000	100,000	250,000
Bulk Wastewater	343,639	660,244	1,024,961	525,000	1,700,000
Total	1,960,125	2,018,877	2,413,211	3,018,308	4,383,969
Renewal Rate	0.93	0.94	1.30	2.00	2.00

Figure 9 indicates the split of the capital budget programme with a bigger emphasis on infrastructure upgrade and renewal to address infrastructure backlog and meet growing demand.

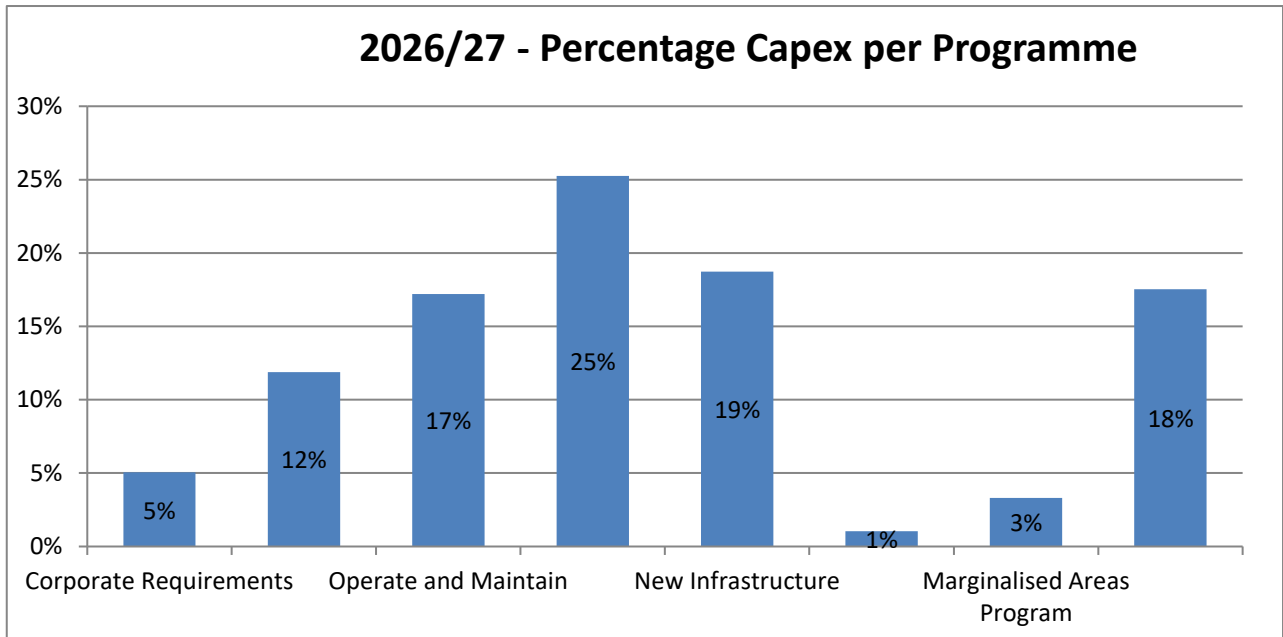


Figure 9: The 2026/27 capital budget weighted split per programme

Pipe Replacement Programme

Johannesburg Water aims to replace 100km of both water and sewer pipelines per year. This programme is meant to ensure a continued reduction of water loss through leakages and pipe bursts, reduction of sewer blockages throughout the CoJ, and to sustain a good level of service to CoJ's customers. For the 5-year period (2019/20 - 2023/24), 318 km of water networks have been replaced. Sewer networks of 175 km have been replaced against a target of 79 km. Despite the achievement of the targets, the implemented length of water network averages 64 km per annum. This is equivalent to 20% of the required average of 186 km per annum, whilst the sewer networks replaced an average of 35 km per annum, resulting in 22% of 178 km required to be replaced per annum due to budgetary constraints. In the next five years, 346 km of water networks and 214 km of sewer networks is planned to be replaced. The plan is based on the budgeted forecast which is determined by the mid-term budget indicatives. The forecast budget is lower than required, and impacts negatively on the renewal rate, which remains significantly lower than necessary.

Table 18 details a plan for water pipe replacement per region, city-wide, for the next five years. As intended, the water pipe replacement projects will contribute to the reduction of water pipe bursts, NRW and water services interruption.

Table 19 outlines the detailed sewer pipe replacement plan per region, City-wide, for five years. These sewer projects will assist in reducing the high sewer blockages experienced in these areas. In order to minimise the number of sewer blockages being experienced, an increased investment is a necessity since the current renewal rate is too low.

Table 18: Water Pipe Replacement Plan

Johannesburg Water Depot (CoJ Region)	2026/27		2027/28		2028/29		2029/230		2030/31		Total	
	Length	Cost	Length	Cost	Length	Cost	Length	Cost	Length	Cost	Length	Total
	(m)	Rand	(m)	Rand	(m)	Rand	(m)	Rand	(m)	Rand	(m)	Rand
Region A-Midrand	1 429	5,000	2 857	10,000	2 214	7,750	8 571	30,000	8 571	30,000	23 643	82,750
Region B-Sandton	49 429	173,000	24 441	85,544	32 857	115,000	14 286	50,000	14 286	50,000	135 298	473,544
Region C-Roodeport /Randburg	6 857	24,000	8 571	30,000	2 143	7,500	14 286	50,000	14 286	50,000	46 143	161,500
Region D-Central	10 000	35,000	5 714	20,000	857	3,000	14 286	50,000	1 429	5,000	32 286	113,000
Region E-Soweto	1 429	5,000	2 857	10,000	15 143	53,000	5 714	20,000	5 714	20,000	30 857	108,000
Region F-Orange Farm	3 429	12,000	14 286	50,000	17 143	60,000	14 286	50,000	28 571	100,000	77 714	272,000
Total	72 571	254,000	58 727	205,544	70 357	246,250	71 429	250,000	72 857	255,000	345 941	1,210,794

Table 19: Sewer Pipe Replacement Plan

Johannesburg Water Depot (CoJ Region)	2026/27		2027/28		2028/29		2029/230		2030/31		Total	
	Length	Cost	Length	Cost	Length	Cost	Length	Cost	Length	Cost	Length	Cost
	(m)	Rand	(m)	Rand	(m)	Rand	(m)	Rand	(m)	Rand	(m)	Rand
Region A-Midrand	2 222	10,000	7 778	35,000	-	-	6 667	30,000	6 667	30,000	23 333	105,000
Region B-Sandton	3 333	15,000	2 222	10,000	6 667	30,000	11 111	50,000	11 111	50,000	34 444	155,000
Region C-Roodeport/ Randburg	6 667	30,000	8 889	40,000	-	-	11 111	50,000	11 111	50,000	37 778	170,000
Region D-Central	6 667	30,000	5 556	25,000	11 111	50,000	16 667	75,000	11 111	50,000	51 111	230,000
Region E-Soweto	2 222	10,000	-	-	-	-	11 111	50,000	11 111	50,000	24 444	110,000
Region F-Orange Farm	9 556	43,000	4 444	20,000	6 667	30,000	11 111	50,000	11 111	50,000	42 889	93,000
Total	30 667	138,000	28 889	130,000	24 444	110,000	67 778	305,000	62 222	280,000	214 000	1,391,000

Bulk Water mains rehabilitation/ replacement

Johannesburg Water has the responsibility of maximising the working life of infrastructure to ensure sustainability and reliability, through a programmed and systematic approach to pipeline rehabilitation and renewal. Johannesburg Water has 2 312 km of bulk water mains, 845 km of which comprise of pipe diameters greater than 400 mm. A total of 103 km of bulk mains pipelines has a remaining useful life of less than five years. A 50% split of these bulk pipelines is steel, and their lifespan can be prolonged almost indefinitely through protection against corrosion (internal and external coating plus cathodic protection and mitigation). Table 20 below shows a list of a prioritised bulk pipelines rehabilitation/ renewal programme including the capital replacement costs. Provision for Phase 1 of the bulk rehabilitation/ renewal programme was made in the 2025/26 FY.

Table 20: Bulk water main Rehabilitation/ Renewal programme

Name of bulk supply main	Diameter (mm)	Length (m)	26/27 R'000	27/28 R'000	28/29 R'000	Region
Phase 1						
Peri-urban bulk line	900	1 200	2,000	5,000		B
Alexander Reservoir bulk supply (G7)	800	1 000	-	-	3,000	F
Lenasia Reservoir bulk supply	675	10 000	2,000	20,000	30,000	G
Alexandra Township bulk supply	600	2 460	30,000	-		E
Supply from Aeroton reservoir. to Orlando res	700	6 700	1,570	1,216		D
Supply from Power Park reservoir to Eldorado Park	900	2 255	-	129,000		G
Lenasia/ Lehae bulk main	600	2 185	2,500	2,500		G
TOTAL						
Phase 2						
Name of bulk supply main	Diameter (mm)	Length (m)	CRC (R) 000			Region
Protea Glen Reservoir	600	5 000	35,000			D
Jabulani Reservoir bulk supply	900	1 270	15,600			D
Chiawelo Reservoir bulk supply	800	1 000	11,000			D
Meadowlands Reservoir bulk supply	800	1 500	16,500			D
Zondi Reservoir bulk supply	1 000	2 600	39,800			D
TOTAL		11 370	122,300			
Phase 3						
G15 bulk supply to Berea and Yeoville Reservoirs	1 225	6 200	113,500			F
Hursthill Reservoir bulk supply	700/600	2 700	23,500			B
Moffatview+ bulk main (G17)	915	3 750	46,100			F
Honeydew and Boschop Bulk supply	760/700	6 520	68,000			C
TOTAL		19 170	251,100			
Phase 4						
Crosby Reservoir bulk supply main	1 050/ 750	3 700	36,000			B
Kibler Park Reservoir bulk supply main	450	1 250	5,740			F

Randjeslaagte Reservoir bulk supply main	750	4 700	41,000		E
TOTAL		9 650	82,740		
Phase 5					
Linksfield Ridge reservoir bulk supply main	600	2 700	19,000		E
Diepkloof Reservoir bulk supply main	700	1 600	14,000		D
Grobler Park Reservoir bulk supply main	450	2 500	9,400		C
TOTAL		6 800	42,400		

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

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

Phase 1 is underway, with conditional assessment, the outcome of which will be used to inform preliminary design and construction. It is expected that these projects will run for the three-year Medium-Term Revenue and Expenditure Framework period. Phases 2 up to and 5 will involve planning and assessment to set priorities for future rollouts.

Upgrades and storage infrastructure

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

In 2026/27, Johannesburg Water will continue to implement reservoir storage augmentation program. These projects will position the CoJ to be the preferred investment destination, based on its ability to offer reliable and uninterrupted water supply service. Table 21 provides a list of new and planned reservoir augmentation which will add 454.45 Ml storage.

Table 21: Storage capacity projects and output.

Project	Storage Capacity	Proposed Budget 2026/27	Output	COJ Region
	(MI)	(R' 000)		
Erand Tower 0.75	0.75	2,000	Storage capacity for 750 HH equivalent	A
Blue Hills Tower 1.8 MI	1.8	2,000	Storage capacity for 1 800 HH equivalent	A
Robertville Tower 2.25MI	2.25	13,000	Storage capacity for 2250 HH equivalent	C
Woodmead Reservoir 20MI	20	70,000	Storage capacity for 20 000 HH equivalent	E
Halfway House Reservoir 20MI	20	2,000	Storage capacity for 20 000 HH equivalent	A
President Park Reservoir 80 MI	80	3,000	Storage capacity for 80 000 HH equivalent	A
President Park Tower Reservoir 2.25 MI	2.25	2,000	Storage capacity for 2 250 HH equivalent	A
Diepsloot Tower 1.6 MI	1.6	1,000	Storage capacity for 1 600 HH equivalent	
Diepsloot Reservoir 40 MI	40	1,000	Storage capacity upgrade for 40 000 HH equivalent	A
Kensington B Reservoir 22MI	22	1,000	Storage capacity upgrade for 22 000 HH equivalent	D
Linbro Park Tower 3.9 MI	3.9	81,000	Storage capacity 3 900 HH equivalent	E
Bryanston Tower 1.5 MI	1.5	2,000	Storage capacity 1 500 HH equivalent	B
Carswald Reservoir 20 MI	20	81,160	Storage capacity 20 000 HH equivalent	A
Dobsonville Reservoir 15ML	15	1,000	Storage capacity 15 000 HH equivalent	C
Doornkop West Reservoir 85 MI	85	2,000	Storage capacity 85 000 HH equivalent	C

Project	Storage Capacity	Proposed Budget 2026/27	Output	COJ Region
Kensington B Tower 0.5MI	0.5	1,000	Storage capacity 500 HH equivalent	D
Cosmo City Reservoir 30MI	30	1,000	Storage capacity 30,000 HH equivalent	C
Turffontein Redevelopment Corridor: Forest Hill Tower	2.5	15,000	Storage capacity 2 500 HH equivalent	D
Kensington Booster 4.2ML	4.2	1,000	Storage capacity 4 200 HH equivalent	D
Linksfild Reservoir 40ML	40	1,000	Storage capacity for 40 000HH equivalent	D
Total	393.25	367,160	Additional 393 250 h/h equivalent	

All land acquisitions for the listed reservoirs and towers have been completed, except for Blue Hills Tower and Halfway House reservoir.

Leaking reservoirs operations

Johannesburg Water has 129 reservoirs and towers, of which 43 reservoirs were assessed and found to be leaking through the structural walls or pipework. Over the years, some of those reservoirs have deteriorated to such an extent that they require immediate repairs. There is currently no data to quantify the amount of water that is lost since not all bulk meters are operational, however during assessment, it was evident that a huge quantity of water is being lost on these reservoirs. The cost of refurbishment is estimated to be R1.25 billion and thus it is not financially feasible to repair all reservoirs in one Financial Year.

Repairs will therefore be executed in a phased approach over three years and implementation will be prioritised according to the level of criticality as indicated in the Table 22. The phase 1 repairs which entail the installation of the by-pass pipeline on the Jabulani reservoir have been completed in the 2023/24 FY and will be followed by Phase 2, which will focus on the repairs of the reservoir. For the rest of the reservoirs, the investigation and designs are in progress with refurbishment commenced in the 2024/25 FY and to continue in the 2026/27FY.

Table 22: Leaking Reservoir repair programme

Reservoir/ Tower	Capacity	Intervention	Repair cost estimate
	(ML)		(R 000)
Phase 1: 2026/27			
Jabulani reservoir	46	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves, Reinstatement of palisade fence and surfaces.	35,000
Aeroton reservoir	45	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	40,085
Meadowlands	25 & 23.7	Internal Repair and Lining of round & rectangular Reservoirs and Associated Pipelines and Valves	78,241
Power Park	64	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	46,457
Crown Gardens		Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	18,294
Hurst Hill reservoir 2	22.5	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	36,204
Modderhill reservoir	16	Internal Repair and Lining of 16 ML Reservoir and Associated Pipelines and Valves	54,974
Dunkeld reservoir	13.7	Internal Repair and Lining of Reservoir and Associated Pipelines and Valves	34,536
Yeoville reservoir-3	45.46	Internal Repair and Lining of 45.46 ML Reservoir and Associated Pipelines, Valves	65,650
Erand reservoir and tower	36	Internal Repair and Lining of 35ML Reservoir, 1.0 ML Tower and Associated Pipelines, Pump Station and Valves	35,261
Alexander Park	45	Internal Repair and Lining of 45ML Reservoir and Associated Pipelines and Valves	44,076
Marlboro reservoir	39	Internal Repair and Lining of 39ML Reservoir and Associated Pipelines and Valves	49,273
Helderkruin Reservoir and Tower	24 / 1.6	Internal Repair and Lining of 24ML Reservoir, 1.6 ML Tower and Associated Pipelines, Pump Station and Valves	30,322
Lenasia Cosmo	50	Internal Repair and Lining of 50ML Reservoir and Associated Pipelines and Valves	29,384
Ennerdale reservoir 2	22.8	Internal Repair and Lining of 22.8ML Reservoir and Associated Pipelines and Valves	34,193
Linden-1 reservoir	24 / 0.5	Internal Repair and Lining of 24ML Reservoir, 0.5 ML Tower and Associated Pipelines, Pump Station, and Valves	31,207
Total			663,157
Phase 2: 2027/28			
Yeoville reservoirs (2) and tower	62/1.0	Internal Repair and Lining of 62ML Reservoir X 2, 1.0 ML Tower and Associated Pipelines, and Valves	89,640
President Park reservoir and tower	32.5 / 0.6	Internal Repair and Lining of 20ML Reservoir and Associated Pipelines and Valves	47,097
Blairgowrie reservoir	7	Internal Repair and Lining of 7ML Reservoir and Associated Pipelines and Valves	5,400
Constantia tower	1.3	Rehabilitate leaking water tower.	7,400
President Park-2	32.5	Seal leaking reservoir.	46,243
Berea reservoir	20	Internal Repair and Lining of 20ML Reservoir and Associated Pipelines and Valves	28,457

Reservoir/ Tower	Capacity	Intervention	Repair cost estimate
	(MI)		(R 000)
Zondi reservoir	30	Replace leaking bypass, cannot bypass to clean reservoir.	42,686
Naturena reservoir	6.5	Replace leaking bypass, cannot bypass to clean reservoir.	9,249
Chiawelo reservoir	30	Replace leaking bypass, cannot bypass to clean reservoir.	42,686
Corriemoor reservoir	18.9	Seal floor joints.	26,892
Northcliff reservoir and tower	45.6 / 1.1	Rehabilitate leaking water reservoir and tower.	66,448
Witpoortjie reservoir and tower	20 / 1.6	Rehabilitate leaking water reservoir and tower.	30,733
2 x Olivedale reservoirs	16.6	Rehabilitate leaking water reservoirs.	23,619
Eagles nest reservoir	20	Rehabilitate leaking water reservoirs.	28,457
Quellerina tower	0.1	Rehabilitate leaking water tower.	1,000
Corporate Park	7.5 / 0.5	Rehabilitate leaking water reservoir and tower.	11,382
Total			188,531
Phase 3: 2028/29			
Honeydew reservoir and tower	15 / 0.45	Rehabilitate leaking water reservoir and tower.	21,983
Kensington B reservoir and tower	10 / 1.1	Rehabilitate leaking water reservoir and tower.	15,794
Fairlands reservoir	6.3	Seal leaking reservoir and replace leaking bypass.	8,964
Glenvista	20	Reseal joints.	28,457
Brixton reservoir and tower	27.7 / 1.1	Rehabilitate leaking water reservoir and tower.	40,978
Illovo reservoirs (8) and tower	48.8 / 1.1	Rehabilitate leaking water reservoir and tower.	71,000
Total			187,176

Repairs and maintenance (water and sewer networks)

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

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

The plan is to increase the rate of preventative maintenance on all electromechanical equipment (Bulk Wastewater included), large diameter valves (>300 mm in diameter), hydrants and sewer network infrastructure. Preventative cleaning of the sewer network will move from 1 500 km per year to 2 500 km

per year. The adjustment towards preventative instead of reactive maintenance will be achieved with Johannesburg Water's existing human resources. This is possible when a renewal rate of 2% is spent on the replacement or refurbishment of the existing infrastructure. The implications are that fewer failures need to be attended to and that resources usually deployed for reactive work can be utilised for preventative work. Increased preventative maintenance will ensure reduced infrastructure failures and improved service standards in line with the CoJ's priorities.

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

Furthermore, during the process of repairing the water and sewer infrastructure, Johannesburg Water is required to expose the infrastructure for certain periods to enable the teams to perform suitable and safe repairs. Once the repair work is finalised, it is Johannesburg Water's responsibility to do the appropriate backfilling and ensure that the area is reinstated accordingly. This could be either pavement reinstatement, kerb repairs or road repairs that include layer work, and finally blacktop. The Company has entered into a Service Level Agreement with Johannesburg Road Agency to conduct reinstatements on the backlog. Additionally, Johannesburg Water is in the process to procure a framework contract after the previous contract expired, these contracts will assist with the reinstatement work due to excavations by Johannesburg Water operations. During 2024/25 FY, efforts were made to eradicate the backlog, notwithstanding limited financial resources. In 2026/27 FY, efforts will continue to ensure that no further backlog is created in reinstatements and that all reinstatements will be done within a five-day period.

Transit Oriented Development (TOD)

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

The focus for 2026/27 entails:

- Upgrading the Hector Norris pump station to improve the efficiency and provision of a standby capacity, and to manage the risk of the CBD running out of water supply in the event of pump failure. The project commenced in the 2023/24 FY and is planned for completion in May 2026/27 FY.
- Perth Empire water upgrades which focused on upgrades within the Brixton/Hursthill water supply zone, including the construction of a new Crosby pump station.
- The Brixton supply zone is supplied from the existing 22. MI Reservoir and the 2 MI Brixton water tower

The infrastructure in the Brixton supply zone was constructed in 1917 and has exceeded its useful life.

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

- Construction of the two new 26 MI Brixton Reservoirs, 2MI Tower and a pump station able to deliver at least 200l/s at 35m head. Construction will be completed in 2025/26 FY.
- The new Crosby bulk line and Pump station is at construction stage, and it is planned to be completed in the 2026/27 FY. The pump station will deliver at least 400l/s to improve supply to the existing Hursthill Reservoirs 1 and 2. The bulk line entail Construction of 1000 m Pipeline from Rand Water connection and installation of approximately 7 110m of water mains of various diameters ranging from 110 to 800mm.

In support of the economic developmental node's areas and corridors of freedom, identified capital projects reflected in Table 23 are geared to support the expected population and economic activities within the nodes.

Table 23: Corridors of Freedom

Node	Projects Names	2026/27	2027/28	2028/29	Output
		Budget	Budget	Budget (R'	
		(R' 000)	(R' 000)	000)	
Louis Botha	Water Upgrade (1.4 km) and 37 MI Reservoir (Linksfield)	1,000	5,000	0	Support densification initiatives on economic development areas or zones
	Sewer Upgrade (5.4 km)	0	0	10,000	Create jobs
Empire Perth	Water Upgrade (7.2 km) and 26 MI reservoir (Hursthill) and 2 MI Tower Brixton	83,000	0	0	Support densification initiatives on economic development areas or zones
	Sewer Upgrade (3.5 km)	0	0	0	SMME's Support
Turffontein	Water Upgrade (2.2 km) and 2.5MI Water Tower (Forest Hill)	15,000	5,000	0	Support densification initiatives on economic development areas or zones
	Sewer Upgrade (5.1 km)	0	0	3,000	Promote private investment
Total		99,000	10,000	13,000	

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

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

Access to clean drinking water for all CoJ residents

A total of 2 000 households will be provided with at least a minimum of service level 1 interim water services in the 2026/27 FY.

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

No.	Informal Settlement	Region	Minimum Level of Service	Estimated number of Households
1	Zandspruit	C	LoS1	2 000
	Total			2 000

Access to sanitation for all CoJ residents

A total of 3 050 households will be provided with at least a minimum of service level 1 interim sanitation services in 2026/27 FY as per table below.

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

No.	Informal Settlement	Region	Minimum Level of Service	Estimated number of Households
1	Unaville	G	LoS 1	1 000
2	Princess Plot	C	LoS1	1 000
3	Mountainview	G	LOS1	1 050
	Total			3 050

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

Nominal water and sanitation services

Nominal (water and sanitation) services provided to informal settlements continued to increase by a further 6.5% within the last 12 months (June 2025). This is over and above the 10% increase in the previous 12 months. It is envisaged that this number will increase further. Nominal water services are provided through stationary water tanks, filled daily via mobile water tankers.

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

Upgraded informal settlements, with basic services

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

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

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

tankers or chemical toilets.

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

Prevention of infrastructure theft and vandalism

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

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

By-law enforcement strategy to deal with theft and loss of assets

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

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

Power Supply disruption

Johannesburg Water is in the process of procuring a contract for the supply of mobile generators to enable the company to address the effects of power supply disruptions, especially at the water and sewer pump stations. A framework contract tender for the hire of standby generators is at evaluation stage with the plan to appoint a service provider by the end of March 2025. Additionally, as part of the retrofitting of pump station projects, permanent generators are installed.

Lastly, certain critical installations like Crosby and Brixton reservoirs and Northern and Driefontein WWTW were exempted from load shedding by City Power and Eskom. Collaborative efforts between Johannesburg Water and City Power regarding exemption of three (3) Southern Plants (Bushkoppies, Goudkoppies and Olifantsvlei Works) from Power Supply Disruptions effective 21 March 2024 marked an important milestone towards improving operational efficiencies. Benefits of securing sustainable power supply had an immediate impact on operational efficiencies which resulted in the reduction of spillages in both Bushkoppie and Goudkoppies Works. On 30 August 2023, Johannesburg Water entered an SLA with City Power to provide all Johannesburg Water facilities with alternative energy in the form of solar photovoltaics system. All Johannesburg Water depots except Randburg depot, which is under construction have been installed with backup power supply in the form of photovoltaics system.

Strategic Goal 3	Operate in a manner that promotes environmental conservation and sustainability
Strategic objective:	Minimise and prevent environmental pollution.
TAS24 Strategic Shift	Ramp up investment in both asset renewal and expansion.
GDS Outcome	Provide a resilient, liveable, sustainable urban environment – underpinned by smart infrastructure supportive of a low carbon economy.
GDS Outputs	• Sustainable and integrated delivery of water. • Sustainable and integrated delivery of sanitation. • Sustainable human settlements. • Climate change resilience and environmental protection.
Mayoral Priorities	Infrastructure development and refurbishment.
Johannesburg Water Programmes	• WWTW programme. • Water demand management systems. • Water quality assurance. • Environmental compliance.

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

Wastewater Treatment Works Programme

New Lanseria WWTW

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

Northern WWTW

The renewal plan focuses on electrical medium voltage (MV) upgrades and refurbishment to maintain and improve the plant's operational reliability and capacity. This includes upgrades to switchgear, cabling, and related electrical infrastructure as part of a phased infrastructure renewal program. The aim is to enhance plant availability and effluent compliance.

The Northern WWTW Unit 5 Module 2 project is at the construction stage and is envisaged to be completed by 2026/27 FY. Upon completion, the project will provide the CoJ with an additional 50 ML/day sewage treatment capacity.

Olifantsvlei WWTW

Infrastructure renewal involves refurbishment and repair of Civil and Electromechanical Infrastructure including the Van Wyksrust Sewer Pump Station, focusing on electrical and mechanical systems to restore treatment capacity and ensure consistent performance, reliability and subsequently effluent compliance.

Bushkoppies WWTW

Comprehensive refurbishment covering multiple plant sections, including headworks, primary sedimentation tanks, fermenters, bioreactor units, electrical refurbishment (e.g., 11kV switchgear, MCC panels, cabling), and control & instrumentation upgrades. Security and site access improvements are also part of the scope. This includes replacement of major mechanical equipment and electrical system upgrades to improve operational efficiency.

Driefontein WWTW

Renewal plans include upgrading existing MCC infrastructure and Electromechanical infrastructure to improve capacity and effluent standards.

Goudkoppies WWTW

The Goudkoppies WWTW infrastructure renewal plan focuses on maintaining and refurbishing the existing electromechanical and electrical infrastructure to ensure continued reliable operation of the plant. The plan involves repairs and replacements within the plant's electrical systems, mechanical equipment, and associated infrastructure to prevent failures and improve system availability.

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

Table 24: Wastewater treatment Programme

Project	Additional Capacity	2026/27 Budget	2027/28 Budget	2028/29 Budget	Output
		(R' 000)	(R' 000)	(R' 000)	
Olifantsvlei Refurbishment Works	Operational efficiency Improvement	50,000	132,507	210,000	Operational efficiency Improvement and Job Creation.
Bushkoppies Primary Refurbishment	Operational efficiency Improvement	87,000	65,000	206,060	SMME's support
Ennerdale	30 MI Upgrade	19,593	30,000	70,000	Additional 38 000 h/h equivalent
Goudkoppies Refurbishment	Operational efficiency Improvement	10,000	65,000	110,646	Environmental protection, Operational efficiency Improvement and Job Creation
Northern Works Expansion and Refurbishment (Unit 5 Module 2) – 50 MI/d	50 MI/d	125,755	330,737	316,255	Additional 50 000 h/h equivalent Attract Investment, Create Jobs and Support SMME's
Driefontein Refurbishment Works	Operational efficiency Improvement	39,291	10,000	32,000	Operational efficiency Improvement, Job Creation, SMME's support and Environmental protection
Lanseria WWTW (50 MI/d)	50 MI/d	10,000	15,000	50,000	Additional 50 000 h/h equivalent Attract Investment, Create Jobs and Support SMME's
WWTW Replacement General	General upgrade/ refurbishment	2,000	12,000	30,000	Operational efficiency Improvement, Job Creation, SMME's support and Environmental protection
Total	130 MI/d	343,639	660,244	1,024,961	138 000 h/h

The outcomes of the wastewater infrastructure renewal and replacement are to reduce sewer blockages, improve response time and reduce sewer spills at WWTW, as well as improve effluent or sludge quality. Tables 25-26 indicate the critical projects linked to the Northern WWTW as well as the sludge plan for the other works that need to be implemented to improve on effluent compliance, limiting spills and improve sludge treatment. Traditionally, CoJ only approves a 3-year MTREF as a result even the capital planning in terms of budget submission is limited to 3 years. It should be noted that, though the infrastructure plans have a 40-year horizon, the capital budget is limited to 3-year capital plan.

Table 25: Northern Wastewater Treatment Works – Critical Projects.

NO.	PROJECT NAME	PROJECT OBJECTIVES	EST. PROJECT COST (R' 000)	STAGE
1.	BWW1402: Unit 4 Liquor Plant	Design and construction of liquor plant that will treat all the filtrates created during the sludge dewatering process to improve effluent quality for compliance.	92,000	Q2: Project Complete Q3: Project Complete
2.	BWW1403: Belt Presses #10	Design and installation of four new belt presses and associated infrastructure.	144,000	Q2 Bid cancelled – Project to be retendered Q3 Procurement stage – Re-initiation of tender with BSC Report submitted to SCM
3.	BWW1501: De-sludge and line Dam 02	Removal and disposal of sludge and the lining of Dam 02 with an impermeable layer to prevent ground water pollution as stated in the Northern Works Licence Terms 03/A21C/EFG/2804.	182,000	Q2: Project on Hold – Awaiting WULA approval Q3: Project on Hold – Awaiting WULA approval
4.	BWW1407/1500: Unit 5 Module 2	Design and construction of a 50 Ml/day expansion of Unit 5 and upgrade of the Head of Works.	329,000	Q2: Construction in progress – 93% progress Q3: Construction in progress – 95% progress.
5.	BWW1507: Digester New (including Preconditioning)	Design and construction of new digesters including pre-thickening and pre-conditioning.	570,000	Q2: Project on Hold – Awaiting Budget Allocation Q3: Project on Hold – Awaiting Budget Allocation
6.	BWW1508: Unit 4: Replacement of Electromechanical	Refurbishment of Unit 4 Modules 1 to 4 electro-mechanical infrastructure to improve wastewater treatment capacity.	259,000	Q2: Project in documentation Q3: Project in documentation
TOTAL			1,576,000	

Table 26: Critical and sludge plan projects

Project Plan	Description	Project Stage	Estimated Cost (R'000)
Northern Works: Belt Press.	This project is for the design and installation of four new belt presses and associated infrastructure.	Procurement stage, to commence with works in 2026/27 FY.	115,000
Northern Works: Digesters.	The project is for the design and construction of new digesters including pre-thickening and pre-conditioning and other associated infrastructure as outline in the 2015 report title Northern WWTW Digestion Capacity Investigation.	Inception stage – project delayed due to budgetary constraints.	1,000,000
Northern Works: Unit 4 Liquor Plant.	The scope for this project is for the design and construction of Liquor plant that will treat all the liquors created from the belt presses.	Project complete.	82,000
Olifantsvlei: Belt Press #1.	This project is for the design and installation of a new belt presses and associated infrastructure.	Detail Design - Awaiting Budget Allocation.	25,000
DF: Sludge Pre- thickening and Pre-conditioning.	The scope for this project is the design and construction of pre-thickening and pre-conditioning for sludge handling at Driefontein.	Identification - Awaiting Budget Allocation.	100,000
Goudkoppies: Infrastructure Renewal Plan.	Phase 2b: Digester Heating and Mixing, Gasholder replacement.	Detail Design and Tender – Construction to commence in 2026/27 FY.	120,000
Grand Total			1,442,000

Water Safe and Energy Efficient City, phase 1 between the City of Copenhagen and the City of Johannesburg

Progress and proposed adjustments - Waste Water treatment

The CoJ, represented by officials from EISD and Johannesburg Water, in partnership with Copenhagen wastewater utility (Biofos) and the Danish Embassy, conducted the Wastewater Treatment missions in March and October 2025. The missions involved 18 delegates representing Joburg Water, the EISD (Water and Biodiversity Directorate), Biofos, Vand Center Syd, Aarhus Vand, and the Embassy of Denmark, with dedicated track leadership assigned for maintenance, process and energy optimization, including bulk wastewater strategy development.

The missions focused on advancing the Wastewater Treatment Works work programme with specific emphasis on maintenance audits, process and energy optimization, and the development of a bulk wastewater awareness strategy for Goudkoppies Wastewater Treatment Works. The engagement enabled structured technical exchange between the city and the Danish partners and provided a detailed assessment of existing operational systems, constraints, and opportunities for improvement.

Key outputs included strengthened institutional collaboration, identification of system bottlenecks and optimisation opportunities, and the establishment of clear working streams, roles, and responsibilities to guide implementation. Activities comprised technical workshops, presentations, and on-site engagements covering standard operating procedures, maintenance practices, process optimization, SCADA systems, and overall operational efficiency.

The team has struggled to find its feet and has spent a lot of time going back and forth on the priorities in the results framework and SSC workplan that was co-created in the scoping phase by management of Johannesburg Water, CoJ and the Biofos team in 2024. Through multiple discussions it has been decided to keep the focus on maintenance and include biogas into the scope of works. Hence the team is currently running behind schedule.

Between missions, online meetings/workshops/engagements are conducted. Proposed adjustments recommended to the PSC to adopt:

- Escalate the SSC partnership to Johannesburg Water business plan.
- Assist to ensure commitment from project team at Goudkoppies.
- Approve the inclusion of the biogas scope
- Embrace fully funded training opportunities for staff by the Danish Fellowship Centre Learning activities in 2026 - Danida Fellowship Centre.

Green Drop Performance Audit

Johannesburg Water participated in the most recent Green Drop audit for the 2023/24 financial year, conducted in March 2025 and the entity achieved an average overall score 49% down from 73% achieved in 2021, falling short of the 90% target. An action plan is in the process of development to address identified challenges and improve performance.

Implementation of water management systems to reduce water leaks

The Rand Water permanent abstraction licence limit of 4 936MI/d is effective until 2028. The licence might be reviewed when the Lesotho Highlands Water Project comes into operation in 2028. This means that Rand Water cannot extract additional water from the IVRS. Therefore, Rand Water consumer is required to reduce the demand. The City of Johannesburg consumption in June 2024 was 1 801MI/d, which accounted to 41% of water abstracted from the Integrated Vaal River System (IVRS). We are required to reduce its daily consumption to 1550 MI/d.

Even though water demand has reduced over the past few years, from 309 liters per capita per day (l/c/d) to 244.69 l/c/d, efforts need to be intensified to progressively reduce it to the norm of 175 l/c/d, as stipulated in the National Water and Sanitation Master Plan. In support of this reduction, Johannesburg Water is in the process of appointing a consultant to review the current WC/WDM Strategy which comes to an end in June 2026.

Furthermore, funding for WC/WDM projects is a challenge for Johannesburg Water with limited financial resources to implement the strategy within the planned period of five years. Johannesburg Water is therefore considering performance-based contracts to enable the fast tracking of WC/WDM

plans. The preferred contractor or service provider will then assist with the provision of the required funding and will also be responsible for the maintenance of the demand reduction in specific interventions. In return, the preferred contractor or service provider will get a portion of the financial savings achieved through the demand reduction efforts. The plan comprises of the following initiatives:

Bulk metering

Currently only 79% of zonal bulk meters are operational and that makes their use for the reduction of water demand partially unattainable. Johannesburg Water procured service providers to assist with the repair and maintenance of bulk management meters, as well as the supply and delivery of spare parts for these meters in the 2023/24 FY. This initiative will focus on getting all internal bulk meters 100% operational by 2025/26 FY so that these zones can be reduced to adequate sizes, which will assist considerably in leak detection.

The installation of check meters downstream of Rand Water's meters will also assist in monitoring the accuracy of the bulk water supply from Rand Water. By 2025/26 FY, the aim is to have all management meters operational and to check all installed meters where there are no management meters closer to the big Rand Water bulk meters, which supply 90% of the water into the CoJ.

Active leak detection and minimum night flow analysis

Active and passive leak detection has the potential to reduce water demand by huge quantities, table 27 below indicate the achievement in the 2024/25 FY.

Table 27: 2024/25 Active leak detection and minimum night flow

ACTIVITY	JHB CENTRAL	SOWETO	DEEP SOUTH	RANDBURG	SANDTON	MIDRAND	TOTAL
Burst pipe	556	403	402	256	327	204	2 235
Leaking Meter	926	2 086	378	1 029	606	522	5 921
Leaking Valve	212	17	2	31	88	17	367
Leaking Hydrant	33	55	9	30	59	45	232
Mains surveyed (km)	2 071,9	2 129,6	1 003	1 430,1	1 985,2	1921,8	10 694,4

This intervention provided an estimated water demand reduction of reduction of 13 514 140 kl per annum. Minimum Night Flows (MNF) will be monitored to identify areas with high night flows. This information will be used to plan active leak detection in these zones with high night flows which aim to cover over 10 000km of reticulation mains in the 2026/27 FY. Johannesburg Water has procured services for supply, delivery, installation and servicing of automated leak detection devices. Inefficient District Metered Areas (DMA) have been prioritised and the deployment of these devices is planned as indicated in Table 28.

Table 28: Advance leak detection devices annual deployment

Financial Year	Deploy and installation of advanced leak detection devices in the pre-determined DMA's
2023/24	125
2024/25	100
2025/26	175
Total	400

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

Advance Pressure Management

Minimum night flows reduction through advanced pressure management systems has been identified to have a potential savings of 5 918 000 kl per annum. In the 2024/25 FY, Johannesburg Water retrofitted 23 PRVs with Smart Controllers. In the current financial year, Johannesburg Water have already retrofitted 28 PRVs making total to date 51 PRVs retrofitted with Smart Controllers. In order to succeed in the management of demand in these PRV zones, the company has procured a contract for the supply, delivery, installation and servicing of advanced pressure management devices. The deployed 51 Smart Controllers are sending live data to Zednet. Johannesburg Water plans to install further Water whilst a further 170 is planned to be deployed for the 2025/26 FY.

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

Retrofitting and removal of wasteful devices

The Soweto Infrastructure Upgrade and Rehabilitation Project (SIURP) is also approaching completion with portions of Pimville, Dlamini and Mofolo North as the only suburbs still outstanding. The project implementation in other deemed areas, like Orange Farm and Alexander, is underway, with completion of the project planned for 2027/28 FY. The intervention is effective in reducing demand, hence other areas outside Soweto are considered for implementation. The following are areas of Ivory Park, Eldorado Park, Westbury and Noordgesig, which have been targeted for the roll out of the same intervention post completion of Orange farm. It is anticipated that a total saving of 30 446 MI/annum will be realised from the areas mentioned above.

Orange Farm

The project commenced in the 2019/20 FY with discretization works, while retrofitting and meter installation works commenced in the 2020/21 FY. The project was fully completed by 14 November 2024 at a total cost of R434 million R302 million of the cost was committed to appointed contractors, whilst the balance was for the supply of customer meters. The project has a potential water savings of 8 865 MI per annum

Alexandra

Construction commenced in 2020/21 FY, and upgrading of secondary mains has been completed. The scope entails replacement and upgrade of secondary mains, creation of water zones, and retrofitting of leaks and metering. The phase 1 (secondary mains replacements) was completed by 24 January 2025, and phase 2 (Skeem and Bhekilanga bypass) was completed by 21 December 2023. Phases 3 (meter installations) and Phase 4 (Bulk pipeline replacement) planned to be completed by June 2027. It is estimated that the project will reduce the NRW level within the Alex, Linbro Park Reservoir zone to an acceptable level of 18%, with 9 415ML of water saved per Annum for the zone.

Ivory Park

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

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

Drought Management Plan

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

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

Alternative water resources

As part of the broader water resilience strategy for the CoJ, investigations are underway on alternative water resources. Johannesburg Water has started a close working partnership with Rand Water and the entities have identified additional programmes (acid mine drainage, ground water, effluent reuse, etc.) as a strategic intervention to manage the resilience of the system, as shown in Table 29.

Table 29: Alternative resource opportunities identified in partnership with Rand Water (within the CoJ)

Description	Additional estimated capacity once completed
Return treatment: Northern Works	100 MI per day
Return treatment: Bushkoppies and Goudkoppies	100 MI per day
Boreholes with five minor yield sites each <27 MI/d	135 MI per day
Borehole with 10 major yield sites each >27 MI/d	270 MI per day
Dewatering water: Gautrain – Emergency Shaft 2	15 MI per day
Dewatering water: Gautrain – Emergency Shaft 3	-
Dewatering water: Gautrain – Emergency Shaft 4	-
WWTW to potable water: Lanseria	100 MI per day

Return treatment: Northern Works

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

Return treatment: Bushkoppies and Goudkoppies

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

Boreholes

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

Dewatering Water (Gautrain)

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

Water quality assurance

Johannesburg Water has tools in place to monitor the drinking water quality compliance throughout the City, such as the drinking water quality monitoring plan. Drinking water quality risk assessment is carried out annually in accordance with SANS 241. This assessment identifies hazards that may require the monitoring plan to be modified. Johannesburg Water has adopted the Water Safety Plan (WSP) as a tool to fulfil this objective by ensuring the safety of drinking water supply using a comprehensive risk assessment and risk management approach that encompasses all steps in a water supply system from catchment to consumer. The primary activities of a WSP in ensuring good practice for the prevention of contamination during storage, distribution and handling of drinking water are carried out (where possible) during the service interruptions and day-to-day operation of the system.

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

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

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

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

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

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

- Provide a communication network for open and transparent communication.

Customer Satisfaction Survey

Johannesburg Water works with various stakeholders in order to enhance its capacity to provide water and sanitation services to customers, as a result, on an annual basis the customer satisfaction survey is conducted to assess the level of satisfaction regarding performance and to better understand stakeholder knowledge, perceptions and challenges of Johannesburg Water and its customers. The overall CSI for Johannesburg Water for the FY 2024/25 was 73,6% compared to the 71.1% achievement in the 2023/24 indicating a significant increase of 2.5%. Measuring customer satisfaction is also critical as it helps to identify customer requirements, preferences, perceptions and the business health of the organisation. It also helps the organisations to identify areas of improvement to ensure improved satisfactions levels going forward.

Stakeholder Engagement and Public Participation

Johannesburg Water will conduct targeted stakeholder engagement programmes through various Stakeholder Forums to ensure a localised customer-centric approach. On-going engagements will be conducted to pre- inform Councillors of planned infrastructure upgrading projects in their wards and regions, as well as the broader Johannesburg Water Business Plan for the 2026/27FY. The Company will also continue to maintain daily communication and engagement with Councillors, informing them of planned and unplanned service disruptions and regional specific messages on water satisfaction provision and other Johannesburg Water related issues. This will include the sharing of information on infrastructure projects (current and pipeline); introducing Johannesburg Water Officials; share the public participation protocols and related policies.

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

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

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

Public Education

Johannesburg Water will continue to conduct public education and awareness campaigns aimed at influencing behavioural change towards the overall WC/WDM Strategy. This will include influencing behavioural change towards water conservation and proper use of sewer infrastructure. An in-house

Public Education Unit will be established to ensure that Johannesburg Water systematically conducts public education on various water & sanitation related issues as well as overall service delivery and payment of services. This Unit, once established, will help targeted engagements with various stakeholders to respond to some of the Key Drivers that dropped our satisfaction level during the previous Customer Satisfaction Survey. The Company will conduct public education and awareness programmes focusing on, among others, on the following critical issues:

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

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

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

Internal Communication

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

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

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

Media Relations and External Communication

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

Community Engagement Programmes

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

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

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

Campaigns

A number of highly focused campaigns to be activated are:

- Employee focused campaign themed "You are the strongest link."
- Customer focused campaign themed "#Pay4Services" to link the payment of services to developmental goals and service delivery.

A targeted customer and industry focused water conservation campaign themed in seSotho "S'ka senya metsi".

- A #NotoVandalism targeted campaign.
- #UzoytholaKanjaniUsekhoneni, directed at SMME's
- #PartnershipsForSustainability focused at forging relations with business.

Redefine a customer centric service delivery value chain

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

Improving customer experience and support

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

Integration and monitoring

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

This will include the following:

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

Response to community-based planning issues

In response to community-based planning perspectives, Johannesburg Water aligns the projects to be undertaken to the community priorities raised during the stakeholder engagements. Table 30 below outlines the identified community priorities per region, motivation for the selection based on the location and the work to be undertaken to ensure that these projects are delivered to address the needs of these communities.

Table 30: Response to Community-Based Planning issues

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
3	Region G	Sewer infrastructure upgrading	The old sewer infrastructure cannot hold large and increased sewer capacity as the ward has grown due to the mushrooming of the informal settlements. The recurring blockages have been ongoing for more than 10 years without any maintenance. Sewer gets fixed but it re occurs a day after it was fixed. Some Joburg water workers have also indicated that it might be due to the old pipes. The old sewer is mostly in areas where there's no street names. The constant sewer leaks are also affecting the road infrastructure and leaving the roads stagnant with sewer water, inaccessible and in very bad condition. The issue affects Ward 3 as a whole and it needs new sewer infrastructure.	Entire ward 3	The network sewer pipelines have adequate capacity therefore do not need to be upgraded and operations department continuously attend to sewers overflowing where blockages happen. There is, however, collector pipes that are due for upgrading in Orange Farm Ext 7, the project is in initiation stage. The sewer pipelines in Drieziek Ext 4 have adequate capacity therefore do not need to be upgraded.
4	Region G	Sewer upgrade: Orange Farm Ext 2, Ext 7, & Ext 8 and Drizek Ext 4.	Sewage spillage in Orange Farm Ext 2 is constant and affects communities' properties damaging houses and furniture this happens during rainy seasons mostly. Orange Farm Ext 8B the sewage has affected Rekgutlile Primary school in a way that sports activities have been cancelled for the past four years. Orange Farm Ext 7B the spillage is continuous and poses a health hazard for the communities in the surrounding areas. Drieziek Ext 4 Outline along Golden Highway the spillage is continuous and at some stage airborne diseases were detected by Environmental Health department. The sewage spillage in these communities poses a serious health hazard for the community.	Orange Farm Ext 2, Ext 7, & Ext 8 and Drizek Ext 4.	The project to address the sewer issues in Orange Farm Ext 2 was initiated in February 2025, Capex can provide project current status the sewer. Orange Farm Ext 7 sewer upgrading project was initiated in November 2023, currently at Design Stage.

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
7	Region G	Installation of Sewer pipes in Meriting phase 1 and 2 and upgrading of sewer pipes in Finetown Beatrice and Phillip Street.	To address the current health hazards and unsanitary conditions. The overflowing of toilets and sewer spills are contaminating the environment and posing a risk to residents' health, especially children who are playing with feces. A proper sewer system would help to manage waste, reduce the risk of disease transmission, and improve overall sanitation.	Meriting phase 1 and 2 & Finetown Beatrice and Phillip Street.	Projects to Installation of Sewer pipes in Meriting phase 1 and 2 and upgrading of sewer pipes in Finetown Beatrice and Phillip Street have commenced.
10	Region G	Upgrading of Water and Sanitation Infrastructure in Protea South:	The community needs water and sanitation services in the area as they are experiencing serious challenges with their current supply. In some cases, sewage water flows from the taps, creating health and hygiene risks. The water tanks are also not properly secured, and the lids do not close properly, which leads to contamination. Reliable water and proper sanitation are essential for maintaining good health, preventing disease, and ensuring a safe living environment. Therefore, the community urgently requires improved water infrastructure, such as standpipes and secure sanitation services. They also need visible policing in the area to prevent the lids from being stolen.	Protea South	According to the assessment, the sewer pipelines in Protea South should have adequate capacity. Reported sewer flowing through water taps are concerning indication that sewer system is mixed with water system. Avalon Depot to investigate where system mix can be happening. Additional information (e.g. Stand numbers) where water taps are dispensing sewer can assist operations department.
22	Region D2	Sewer upgrading in Pimville Zone 2, 3, 4, 5, 7 and 9	There is currently blockage at zone 7 close to Total garage that is always blocked. Another blockage is at Ngembi Street in Pimville Zone 3. Mostly sewer blockages are at Zone 5 & 4 close to progress secondary school. Furthermore Pimville Zone 4 next to Farisani primary they are blockage every week and it's a health hazard.	Pimville Zone 2, 3, 4, 5, 7 and 9.	Sewer infrastructure in the ward has adequate capacity, however investigation should be done by Johannesburg Water Operations to ascertain causes of the sewer blockages
23	Region F	Replace all water pipes that are under ground	All around the ward there are water leaks, even after Johannesburg Water closes, there will be another leak closer to that one.	Region F	Majority of the streets are leaking, and Johannesburg Water

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
					is currently closing these leaks.
26	Region D2	Upgrading of the sewer system in zone 6	The community in Zone 6 continues to experience persistent sewer-related challenges, particularly where the sewer network intersects with the stormwater drainage system. Sewer bursts occur frequently, with incidents escalating during the rainy season. The problem extends from the area known as eBhareni in Ward 29 (Cnr Zwelitsha Street) through to Zone 6 (Nokeng and Mhlanga Street). Residents respectfully request Johannesburg Water (Johannesburg Water) to conduct a thorough investigation to determine the root cause of the recurring sewer bursts and to implement a sustainable solution to prevent future occurrences. The ongoing spills pose serious health hazards, contaminate the surrounding environment, and compromise the overall sanitation and well-being of the community, making urgent intervention essential.	Zone 6	Sewer infrastructure in the ward (Particularly in Diepkloof Zone 6) has adequate capacity, however investigation should be done by Johannesburg Water Operations to ascertain causes of the sewer blockages. The possibility of storm water ingress is suspect since the blockages reportedly occur during the rainy season.
35	Region D1	Sewer infrastructure upgrading	New	Ward 35	Sewer infrastructure in ward 35 has adequate capacity, however investigation should be done by Johannesburg Water Operations to ascertain causes of the sewer blockages
43	Region D2	Upgrading of Sewerlines in Meadowlands Zones 7 & 8	The sewerage infrastructure in Meadowlands Zones 7 and 8 is currently inadequate, resulting in frequent blockages, backflows into residential properties, and the accumulation of fecal matter and other debris. These conditions create significant health risks and unsanitary living environments, adversely affecting the quality of life of residents.	The critical and high-pressure sewer network segments are located at the intersection of Ngugulu Street and Molohe Street in Zone 7, and along Maseru Street between Heald Street and Forbes Street in Zone 8.	The existing sewer infrastructure in Meadowlands Zone 7 and 8 has adequate capacity. A work request has been generated by operations to address a collapsed 400mm outfall in Meadowlands Zone 8. Investigation by PMU is in progress.

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
55	Region F	Extending of the water tower in Xavier and Lisbon Avenue, forest hill tower.	New tower is needed for the water demand by the community.	Xavier and Lisbon Avenue, forest hill tower	Forest Hill tower project awaits the appointment of a contractor.
56	Region F	Upgrading of Forest Hill Water Tower	The upgrading of water tower is going to help the communities around Johannesburg South as the pressure is low, another concern was the issue of leakage around the area. Community requested the relevant department to consider this matter urgently.	Corner Rifle Range and Barnacle Road, Forest Hill.	Forest Hill tower project awaits the appointment of a contractor.
67	Region F	Rehabilitation of Aged Water Infrastructure	Rehabilitation of Aged Water Infrastructure. The community proposes the rehabilitation of old and deteriorating water infrastructure. This rehabilitation is essential to address frequent leaks, improve water pressure, and ensure a reliable water supply for residents in the affected areas.	Along the following roads: Grafton Road: from Webb Street down to Louis Botha Avenue. Kenmayer Street: from Webb Street to Louis Botha Avenue. Cavendish Road: from Page Street to Muller Street.	Yeoville Suburb will be included in the next roll out of the water replacement projects programme
72	Region E	Upgrade water pipe in Sunningdale, Linksfield North and Linksfield.	Suburbs are not yet in the pipe Replacement programme.		Operations to investigate and compile a works request if necessary.
73	Region E	Water pipes replacement at Osborn Road between Norwood and Houghton.	Water pipes replacement at Osborn Road between Norwood and Houghton. The existing water infrastructure along Osborn Road, between Louis Botha Avenue and 11th Avenue, is over 50 years old and in urgent need of replacement. The aged pipes frequently experience leaks and bursts, leading to significant water loss, road surface damage, and major traffic disruptions. These recurring issues not only affect Osborn Road but also have a broader impact on surrounding areas and neighboring wards, disrupting essential services and daily commuting. Replacing the aging water pipes will improve service reliability, reduce maintenance costs, and prevent further infrastructure deterioration.	Osborn Road between Norwood and Houghton.	The aged pipes frequently experience leaks and bursts, leading to significant water loss, road surface damage, and major traffic disruptions.
82	Region B	Sewerage problems at the Following: Bergbron From meg's place. Down Jonkershoek Road,	To address the frequent sewer blockages.	Bergbron From Meg's place. Down Jonkershoek Road, Schoongesig Road to Helderberg Park.Newlands 16th Street to 8th Street to 7th street	As and when blStreet (are reported, we continue to monitor

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
		Schoongesig Road to Helderberg Park. Newlands 16th Street to 8th Street to 7th street including Esperanza School. Lower Maraisburg Du Plessis Road to Spencer Road (Opposite the old Age Home. Northcliff Vancouver park (On the Hill). Sophia Town Cnr Coronation Street and Johannes Road and Greymont 15th Street (The Entire Street)		including Esperanza School. Lower Maraisburg Du Plessis Road to Spencer Road (Opposite the old age Home. Northcliff Vancouver park (On the Hill). Sophia Town Cnr Coronation Street and Johannes Road and Greymont 15th Street (The Entire Street)	that the sewer is flowing.
83	Region C	Construction of a reservoir in the ward to increase water capacity in the ward.	COJ needs to increase water demand in line with the population explosion and growth in the ward.	Ward 83	Ward 83 is supplied from Helderkrui reservoir and tower which have adequate capacity for the present and future scenario. No additional storage is required.
86	Region B	Upgrading of ageing sewerage network in the Berbro, Newlands, Maraisburg, Northcliff Sophiatown and Greymont neighbourhoods.	Residents have been experiencing frequent blockages, overflows, and health risks caused by deteriorating infrastructure. The community motivates that this upgrade is critical for public health, environmental protection, and restoring service reliability. Without intervention, the continued sewer failures pose a serious health threat and undermine the dignity and safety of residents.	Bergbron: From Meg's Place down Jonkershoek Road, Schoongesig Road and towards Helderberg Park. Newlands: 16th Street, 8th Street, 7th Street, including Esperanza School, where children are directly exposed to health hazards. Maraisburg: From Du Plessis Road to Spencer Road, opposite the Old Age Home, where vulnerable elderly residents are most affected. Northcliff: Vancouver Park (on the hill), where regular sewer overflow compromises environmental quality.	Newlands, Maraisburg, Northcliff, Sophiatown, Berbro and Greymont Suburbs will be included in the next roll out of the sewer replacement projects programme. The sewer infrastructure within the mentioned areas has been assessed and confirmed to have adequate capacity. Operations conducted investigations to determine the causes

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
				Sophiatown: Corner of Coronation Street and Johannesburg Road. Greymont: Entire length of 15th Street.	of the reported sewer blockages. A public meeting was held with residents to understand their concerns, followed by a detailed site inspection. The primary challenges identified in these areas are stormwater, foreign objects, and rainwater ingress into the sewer network. During heavy rainfall events, this leads to increased flows, surcharging, and occasional overflows. The issue is therefore operational and weather-related rather than capacity-related. A specific mid-block sewer blockage resulted in flooding into a private property. This was attended to and resolved by the depot. Corrective measures included raising the manhole outside the affected yard to improve hydraulic relief and reduce the risk of recurrence. Preventative maintenance was also undertaken upstream to remove debris and

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
					restore optimal flow conditions. Residents also raised concerns that nearby restaurants may be contributing to blockages. The Industrial Effluent Section (Cydna) was engaged to assess restaurant compliance, including grease trap management and discharge practices. The findings confirmed that the inspected establishments were compliant, and no irregular discharges were identified. The blockage reported at Esperanza school was caused by concrete that had been unlawfully dumped into the sewer system. Due to the nature and hardness of the obstruction, specialist contractors were engaged to remove the concrete and restore normal flow. The blockage was successfully cleared, and the system is currently operating as intended. Operations will continue to monitor the system and conduct preventative

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
					maintenance to mitigate future occurrences.
88	Region B	Water pipe replacement Emmarentia Ext 1	New	Emmarentia	A request was submitted in 2021 to replace the existing 100mm and 150mm diameter AC and steel water pipes in Emmarentia. The scope covers approximately 2 235m along Hill, Kafue, Tugela, Congo, Niger and Zambesi Roads in Emmarentia Proper, and 5 355m along Kei, Hill, Komatie, Olifant, Limpopo, Pafuri, Tana, Greenhill Road, John McKenzie and Hofmeyer Drive in Extension 1. at Detail Design
89	Region C	Upgrading of Sewer lines in Weltevreden park	Upgrading of sewer lines in Weltevreden Park Panorama area from 160mm to 260mm pipe width - to prevent ongoing sewer blockages and allow for future development to take place - densification.	Weltevreden park	The sewer upgrade in the master plan in Ward 89 is along 9th Avenue, but it is only required in the future and is not yet in the capital plan. however, investigation should be done by Johannesburg Water Operations to ascertain causes of the sewer blockages
90	Region B	Replacement of sewage pipes in Parkmore and lower Sandhurst.	New	Parkmore and lower Sandhurst.	Feedback to be provided. Still being checked.

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
98	Region B	Upgrade of the Sewerage System (Windsor West, Windsor East, Republic Road and Randpark)	Upgrades located at Randpark golf course are required in the outer years.	Windsor West, Windsor East, Republic Road and Randpark	Johannesburg Water operations department generated work request for sewer pipe replacement in 2021 to address the sewer overflows in Windsor West.
98	Region B	Upgrade of the Water infrastructure System (Windsor West, Windsor East, Cresta and Republic Road)	Upgrade of the Water infrastructure System (Windsor West, Windsor East, Cresta and Republic Road)	Windsor West, Windsor East, Cresta and Republic Road	A project for the replacement of the 700mm bulk water pipeline (peri urban) from Northcliff to Corner Judges and Republic Road in Windsor is in progress. is in progress.
101	Region C	Upgrading Sewer pipes along the Pamponspruit	New	Pamponspruit	Pamponspruit sewer sub-drainage basin is vast in area and a specific affected area should be named. The upgrade in the master plan along the Pamponspruit collector is in Boskruin, however this will only be required in the outer years,
102	Region B	Maintenance of the Ferndale and Braamfontein Spruit	New	Ferndale and Braamfontein Spruit	Assessments are being undertaken
104	Region B	Water supply too low (pipe replacement) leaks, low pressure, old pipes Reservoir Kensington.	New	Kensington	Assessments are being undertaken
104	Region B	Kensington Reservoir Water supply too low (pipe replacement) leaks, low pressure, old pipes)- Proposed	New	Kensington.	Assessments are being undertaken

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
106	Region E	Replacement of old and failing water pipes in Riet Avenue, Plemoth Street, Douglasdale Street, Hillman Street	Aging water infrastructure has resulted in frequent leaks, water losses, pressure interruptions, and unnecessary wastage. Upgrading these lines will ensure stable supply and reduce repair costs. Norscot Manor and Rivonia Library are key community facilities that support education, youth development, arts, and recreation—thus deserving of proper upkeep. Improved sewer and building maintenance will safeguard public health and protect municipal assets.	Riet Avenue, Plemoth Street, Douglasdale Street, Hillman Street	Assessments are being undertaken
109	Region E	Upgrading of water infrastructure in City of Johannesburg and Maponyane Village.	New	City of Johannesburg and Maponyane Village	ESU to be consulted for comment as they are responsible for new infrastructure within informal settlements
112	Region A	Upgrading of Sewer Pipes in the Ward	Upgrading the sewer pipes throughout the ward is essential to improve sanitation, prevent overflows, and ensure reliable wastewater management for residents	Ward 112	Assessments are being undertaken
115	Region E	Pipe Replacement & Talavera Pipeline Implementation	Both projects are already in the IDP) but have not been implemented. Old pipes burst frequently. Areas/Lines Affected: Talavera line, Craigavan.	Areas/Lines Affected: Talavera line, Craigavan	Assessments are being undertaken
118	Region F	Water Infrastructure Repairs – Cumberland Road and Nair Street	Residents have raised ongoing concerns about multiple water leaks along Cumberland Road and Nair Street, which have led to frequent water shortages and disruptions in supply.	Cumberland Road and Nair Street	Assessments are being undertaken
125	Region F	Provision of Fire Hydrants	Community members feel that fire hydrants are basic needs, the area is composed of industrial sites, anything is possible. There are lots of open spaces which can spread veld fire. Aeraton Industrial Area, Ormonde View residential area.	Aeraton Industrial Area, Ormonde View residential area.	Assessments are being undertaken
126	Region C	Upgrading of sewer lines in Weltevreden Park Panorama area from 160mm to 260mm pipe width - to prevent ongoing sewer blockages and allow for future development to take place - densification.	New	Ward 126	The sewer upgrade in the master plan in Ward 126 is along 9th Avenue, but it is only required in the future and is not yet in the capital plan. however, investigation should be

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
					done by Johannesburg Water Operations to ascertain causes of the sewer blockages
132	Region A	Upgrading of Water Infrastructure in the Entire Ward 132	The ward is experiencing challenges with ageing water infrastructure, including old asbestos pipes that require urgent replacement. Constant sewerage leaks are affecting the Vorna Valley Vlei, a protected wetland, posing environmental and health risks.	Ward 132 Vorna Valley & its Extensions	Pipe replacement approach is per suburb and not per Ward. In Ward 132 Vorna Valley & its Extensions are in planned pipe replacement for upcoming FYs. Nothing in the sewer pipe replacement program, however their planned sewer upgrades within the ward but not yet in implementation due to financial constraints
133	Region A	Upgrade of sewer system in ward 133	The sewer systems of ward 133 need to be upgraded as it cannot capacitate the population of ward 133. There are constant sewer blockages which is a health and environmental hazard hence the upgrade. Johannesburg Water also needs to address the people that have built their structures on top of the sewer.	Ward 133	Generally, the sewer pipelines have adequate capacity therefore do not need to be upgraded and operations keeps attending to sewers overflowing due to system abuse. For those that can no longer be maintained, Operations then request for them to be replaced or upgraded. Currently a project to upgrade the collector sewer in Freedom Drive is at Design stage

Ward	Region	CBP Priority	Motivation for Priority	Proposed Location	Progress
126	Region C	Upgrade the water reticulation.	Upgrade the water reticulation.	White Ridge	White Ridge Little Falls project is in progress.

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

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

A financially sustainable City Strategic shift towards sustainability

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

Financial Management and performance

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

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

Reduction of revenue leakages

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

By-law Enforcement

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

Technical approach

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

Non-technical approach

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

Revised revenue collection strategy

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

The key focus areas for the 2026/27 FY include the following:

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

Financial modelling and long-term planning

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

Budgeting process

The proposed operational budget for the 2026/27 FY is R20.988 billion and a capital budget of R1.960 billion.

Alternative funding

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

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

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

Public-Private Partnerships (PPP's)

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

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

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

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

Improving Collections level

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

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

- Debt rehabilitation programme - phase 2.
- Revenue collection portfolio management by creating categories of debtors and managing the portfolios accordingly.
- Regionalisation of Billing Back Office to improve query resolution management.
- Make revenue walk-in centres more accessible to residents by ensuring that their location is well positioned.
- Use of Credit Bureaus.
- Call Centre Consolidation and new telephony system.

- Implementation of Billing Open Days.

Enhanced Supply Chain Management (SCM) efficiencies

In the 2020/21 FY, the company experienced a very high number of tenders that could not be finalised/awarded on time due to a variety of reasons and this had a negative impact on the performance of Supply Chain Management. In view of this dilemma, urgent interventions were made to address this problem, including monitoring and reporting on the matter on an ongoing basis and to ensure that measures are put in place to prevent and reduce such occurrences in the 2026/27 FY. The following issues were identified as being the main interventions within the value chain:

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

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

Reduction of Non-Revenue Water

The percentage NRW was at 44.8% (2024/25) in the CoJ, commercial losses at 9.7%, unbilled authorized consumption at 11.7% and physical losses at 24.8%. The unbilled authorized consumption and commercial (non- technical) losses pose major challenges to NRW.

This can be attributed to the following:

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

The deemed customers' category is unique to the CoJ. There are currently 99 000 customers within this category. These customers are being billed at a flat rate of 20 kl, 10 kl or 6 kl. However, investigations have indicated that the actual consumption of these deemed customers ranges between 50 kl and 60 kl. The difference between the flat rate being billed and the actual consumption is therefore NRW and is catered for under unbilled, authorised consumption as the deemed shortfall. The areas benefiting in this category are Soweto, Orange Farm and Alexandra.

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

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

The current growth year-on-year is 2.7%. Thus, going forward growth in demand is assumed to be 2.7%. Taking the baseline (estimated bulk supply for 2023/24) of 658 118 021 kl and an annual estimated growth of 2.7% bulk supply, the 2025/26 FY is estimated 675 887 207 Kl. This would be the bulk supply if work (status quo) remains as it is currently without any implementation of new demand reduction interventions. Rand Water temporary abstraction licence limit of 4 936MI/d will expire in September 2026 and a permanent abstraction licence limit of 4 383 MI/d will be effective from October 2026 until 2028.

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

Going into the 2026/27 FY, the following aggressive interventions will be implemented to reduce demand, Permanent reduction of water supply to Prepaid and Deemed consumption areas, Schedule Water Supply reduction between 21:00 to 04:00 This restriction will include supply to informal settlements. Increase burst repair turnaround time from 48 hours to 24 hours.

Intensify the use of 1st line response teams to isolate the leaking water while waiting for the repair teams, Intensify Level-3 disconnections in prepaid meter areas, bad/ hijacked buildings in CBD and informal areas, Intensify the repair and Maintenance of Network PRV and reduce network pressure, Pressure Management and Installation of additional Smart Controllers utilising the existing frame contract, Advance leak detection utilizing the existing frame contract and Implement level-1 water tariffs effective 01 December 2023.

In addition to these interventions, the following major projects will be implemented: Orange Farm, Alexandra and Soweto Infrastructure Renewal which includes the installation of STS meters as well as Pressure Management. Pipe replacement will be done, but the impact on water demand reduction is limited and rather service delivery orientated. The estimated reduction in demand due to all these interventions is

expected to reduce from 675 887 207 kl to 495 670 000 Kl by September 2026.

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

Water Safe and Energy Efficient City, phase 1 between the City of Copenhagen and the City of Johannesburg

Project progress against project results framework - Non-revenue water Project outcome

The CoJ, represented by officials from EISD and Johannesburg Water, in partnership with Copenhagen wastewater utility (Biofos) and the Danish Embassy, conducted the Wastewater Treatment missions in March and October 2025. The missions involved 18 delegates representing Joburg Water, the EISD (Water and Biodiversity Directorate), Biofos, Vand Center Syd, Aarhus Vand, and the Embassy of Denmark, with dedicated track leadership assigned for maintenance, process and energy optimization, including bulk wastewater strategy development

The missions focused on advancing the Wastewater Treatment Works work programme with specific emphasis on maintenance audits, process and energy optimization, and the development of a bulk wastewater awareness strategy for Goudkoppies Wastewater Treatment Works. The engagement enabled structured technical exchange between the city and the Danish partners and provided a detailed assessment of existing operational systems, constraints, and opportunities for improvement. Key outputs included strengthened institutional collaboration, identification of system bottlenecks and optimization opportunities, and the establishment of clear working streams, roles, and responsibilities to guide implementation. Activities comprised technical workshops, presentations, and on-site engagements covering standard operating procedures, maintenance practices, process optimization, SCADA systems, and overall operational efficiency.

The team has struggled to find its feet and has spent a lot of time going back and forth on the priorities in the results framework and SSC workplan that was co-created in the scoping phase by management of Johannesburg Water, CoJ and the Biofos team in 2024. Through multiple discussions it has been decided to keep the focus on maintenance and include biogas into the scope of works. Hence the team is currently running behind schedule.

Between missions, online meetings/workshops/engagements are conducted. Proposed adjustments recommended to the PSC to adopt:

- Escalate the SSC partnership to Johannesburg Water business plan.
- Assist to ensure commitment from project team at Goudkoppies.
- Approve the inclusion of the biogas scope
- Embrace fully funded training opportunities for staff by the Danish Fellowship Centre Learning activities in 2026 - Danida Fellowship Centre.

Corporate governance

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

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

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

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

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

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

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

System of Internal Controls

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

and improve the effectiveness of risk management, control and governance processes. IAD adds value in ensuring that the Johannesburg Water accomplishes its objectives by:

- Developing and implementing a risk-based three-year rolling strategic audit plan ending 30 June 2026 which is approved by the Audit and Risk Committee.
- Annually preparing an assessment report expressing an opinion (Statement of Internal Control) on the adequacy and effectiveness of the system of internal controls on issues of deficiencies not addressed or resolved by management on a quarterly basis. The report will form the basis of the Audit and Risk Committee Report.
- Applying the principles of Combined Assurance by integrating and aligning assurance processes within Johannesburg Water to maximise risk and governance oversight and control efficiencies, and optimise overall assurance to the Board, whilst considering the Company's Risk Appetite.
- Providing and ensuring that both the unresolved IAD and the AGSA findings are prioritised as part of the plan and through a finding register. This will assist management in improving on the finding resolution rate.
- Conducting investigations into Unauthorised, Irregular, Fruitless and Wasteful (UIFW) expenditure and other non-compliance transgressions not requiring forensic investigation.
- Pro-active assurance on tender process by conducting probity audits on tenders above R5 million and other specific requests for probity such as SCM deviation requests.

The resolution rate for IAD findings for the 2024/25 FY was at 80% and AGSA was at 79%. IAD will continue to follow up on unresolved findings to ensure management resolution rate improves with specific emphasis on addressing the root causes to reduce the instances of repeat findings.

Zero-tolerance to Corruption

Johannesburg Water, including the Board, executives and senior management, are fully committed to values- based, responsible ethical conduct. The Board and executives have formulated a clear stance against fraud, corruption and any form of unethical behaviour which binds all Company officials to clearly define ethical values and ethical conduct required by those values. This is evident through the adoption of an Ethics Policy and other ethics related policies as well as the creation of an Ethics Forum which aims to develop and drive the Company's ethics management programme. Johannesburg Water has prioritised Fraud Risk Management as per the MFMA. This environment is zero tolerant to acts of fraud and corrupt activities and is fully endorsed by the Board and Management. This means that Johannesburg Water will vigorously investigate and hold account to any individual, group, or Company whether internally or externally, committing or trying to commit fraud or corrupt activities through its systems, officials or clients. The development and implementation of an Integrity Management Strategy will usher in systems and protocols designed to enhance ethical business practices. Ethics awareness and ethics training will be continuously reinforced and undertaken to ensure the fostering of an ethical culture with professional, honest, and accountable employees.

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

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

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

Information Technology

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

ICT Governance

Enterprise Architecture

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

Compliance to National Treasury's mSCOA

The City of Johannesburg mSCOA Business Transformation project is in progress and completion has been revised to end in June 2027. By end of 2025/26 FY, the project would have completed the unbundling of the General Ledger accounts and implementation of the Business Planning and Consolidation (BPC) module. Other key modules include Finance, procurement, and Human Capital management.

Johannesburg Water will continue to work with the City of Johannesburg's project team to provide the required support and resources to ensure the City of Johannesburg is well-prepared to meet the goals

of National Treasury's mSCOA regulatory compliance.

Sustainable ICT

Cloud computing

This project speaks to the continued implementation of an intelligent cloud-based management software for sourcing and procurement. It will enable Johannesburg Water to increase efficiency and control costs by optimising the procure-to-pay process. The project will deliver key benefits including, reducing inefficiencies through the visualisation of workflows in detail, manager supplier relationships with greater effectiveness, use automation to simplify routine tasks such as invoicing or the accounts payable process, and unite supplier, sourcing, procurement and supply chain management processes.

Cloud computing is a general term for the on-demand delivery of hosted computing and IT services over the internet with pay-as-you-go pricing. Users can obtain technology services such as processing power, storage and databases from a cloud provider, eliminating the need to purchase, operate and maintain on-premises physical data centres and servers.

In collaboration with the City of Johannesburg, core information systems and applications will be migrated to the City's Microsoft Cloud tenant and SAP RISE computing platforms. The objective is to free up capital resources, reduce complexity, increase agility, delivering value services to our users.

ICT Security

Security of the Entity's data and Information Assets.

Cybersecurity is crucial for protecting sensitive data, ensuring business and personal safety, and maintaining the integrity of digital systems against theft, damage, and unauthorised access. It is essential for safeguarding personal information, which helps prevent identity theft and fraud.

The IT Department will continue working towards improving and hardening security controls and proactive monitoring utilising SIEM technology, Security of Information and Event Management. To detect, investigate, and respond to threats. The Entity will continue with its commitment to educate its users on Cybersecurity. Johannesburg Water recognises that cybersecurity awareness training will equip its employees with the information and tools to help defend against phishing attacks, and other tactics used by cyber criminals.

The IT Department has made significant strides in the protection of its information assets with the use of Virtual Private Networking and Multi-Factor Authentication. The IT Department will run a pilot to explore the use of Biometrics focused in reducing the risks associated with traditional passwords that have long been a point of weakness for security systems.

Integration of Information and Operations Technology

Information Technology and Operations Technology Convergence

Traditionally, Information Technology (IT) and Operational Technology (OT) have existed in separate domains within organisations, each performing distinct functions. However, a transformation is underway, characterised by the systematic integration of these two previously isolated worlds, leading

to what is known as IT/OT convergence. This convergence is propelled by digital transformation and advances in technologies like the Internet of Things (IoT) and big data analytics. The main aim of the initiative is to enhance the value delivered by both IT and OT systems and to foster a level of interconnectivity that streamlines operations, fosters innovation, and introduces new services.

A key enabler for the integration is the development of an IoT Strategy and Framework and IoT platform connectivity different devices including smart meters, delivering operational efficiencies, real-time information, and improved asset management with the use of Meter Data Management Systems (MDMS).

Data, Analytics and Artificial Intelligence

Data Management, Analytics, and AI

The role of data and analytics is to equip businesses to make better decisions and improve decision outcomes. Data management is a crucial step to employing effective data analysis at scale, which leads to important insights that add value to our operations and customers.

The Entity recognises that data and analytics is a catalyst for digital transformation as it enables faster, more accurate and more relevant decisions in complex and fast-changing business contexts. The three key initiatives under this program is to develop a Data Governance Framework, establish enterprise data management, and develop Artificial Intelligence in the workplace.

Johannesburg Water commitments to Smart City Operations

Embracing Innovation and Technology

Johannesburg Water's strategy in terms of embracing technology will be designed in such a way that it promotes sustainable water services through excellence in innovative approaches and through the advancement of modern and future-focused technologies. The aim would be to achieve efficiency in Johannesburg Water's core function of operations through solution driven support. The Innovation and Technology Unit aims to be the engine that drives all of Johannesburg Water's functionary sections to operate efficiently to achieve optimum effectiveness, including the company's service departments.

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

Smart Citizen

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

Smart Institution

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

Smart Water Governance

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

Sustainability and Resilient Johannesburg Water

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

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

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

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

Digitisation and Smart Applications

The advancement of new technologies has the potential to significantly improve delivery in the water sector. The platforms of content collection and analysis will improve as technological applications improve. This will allow the capacities to acquire near-real-time systematic awareness of the operational utilities. Cognitive

analytics can thus achieve the ability to derive actionable value from these data.

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

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

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

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

Digital Technology Enablement

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

Supply Chain Management and Procurement

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

Field Services Management

The Field Services Management project is currently being implemented and by 2025/26, phase one, which speaks to Reactive maintenance, would have been successfully deployed. In 2026/27 three project will be looking at extended the digitalisation of Preventative maintenance into other business units and functions, for example electro-mechanical and exploring the use of the technology platform into other areas such as meter reading. In addition, work will commence with integration to other systems such as IMQS and SCADA to provide more real-time information in respect of outages and affected areas.

Business Analytics and Dashboards

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

Automated fleet management

The Fleet Department aims to implement the Automated fleet management for improving efficiency, reducing costs, enhancing safety, control vehicle fleet operations and ensuring regulatory compliance. It streamlines operations by automating tasks like vehicle tracking, route optimization, and maintenance scheduling while promoting safer driving practices and fuel efficiency. Real-time tracking provides visibility and accountability, while data analytics enable informed decision-making and better resource utilization for the Entity. This technology ultimately enhances operational control and overall performance.

Smart Metering

In the 2025/26 financial year, Johannesburg Water will introduce smart metering to its large Water users and key customers. This improvement in consumption measurement will not only provide high levels of accuracy but will also provide these customers with enhanced ability to interact daily with Johannesburg Water through the customer portal, created for our customers. This metering technology will then be rolled out to the rest of the customers in phases to ensure that all customers experience the benefits of the technology.

Revenue Completeness and Enhancement

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

Strategic Goal 7	Invest in our staff to sustain optimal performance and service-focused culture
Strategic Objective	To attract, develop and retain competent and skilled talent in order to enable high performance. The focus is also to create a safe environment that enables diversity, inclusiveness, and a conducive organisational culture.
TAS24 Strategic Shift	Establish capacity for effective implementation
Johannesburg Water Programmes	• Recruitment and selection of Talent. • Training and Development Programmes for Staff, Leaders, and Youth. • Performance Management to drive high performance. • Succession Planning and Career Management. • Employee Engagement and Transformation. • Organisational Design and Review. • Provide Facilities and Fleet Management Services to enable service delivery.

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

Talent Management

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

- The acquisition, development and retention of qualified talent at all levels.
- Creating a culture that responds to customer needs and satisfaction.
- Building a diverse and inclusive workforce.
- Creating a high performance and productive culture.
- Maintaining good relations with Organised Labour.
- Effective leadership development and succession planning.

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

The Talent Management model depicted in figure 10 illustrates how the talent management value chain is implemented. The various initiatives and programmes to ensure that the entity has the right skills at the time are outlined.



Figure 10: Talent Management Model

1.1 Talent Attraction

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

1.1.1 Recruitment and Selection

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

Reducing the time taken to fill vacancies has also been prioritised. Johannesburg Water has been operating at an average of 13 weeks' turnaround time for recruitment. The target for 2026/27 FY is to achieve the turnaround time of 11 weeks. The process of exploring automation of the recruitment value chain to improve turnaround times is underway. The IT department initiated the tender process, currently at the specification stage following the Market analysis to determine the cost for the e-recruitment platform. It is the intension to have the system in place for piloting in the beginning of 2025/26 financial year. Based on the assessment of the past three years, it is envisaged that the transition from traditional recruitment to an automated system will assist in improving the turnaround time to further assist in accelerating the filling of positions.

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

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

1.2 Talent Development

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

121 Performance Management

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

In striving towards a company culture that embraces high performance, there is emphasis on ensuring that employees comply with the Performance Management policy by contracting on time, conducting mid-term reviews and final reviews on time, as well as finalizing moderation processes on time. The submission rate of employees who contracted on SAP ESS for FY 2025/26 increased significantly and the efforts to embed this process will continue in this current financial year to ensure a 100% contracting and performance reviews on ESS is achieved for those who have access to the system.

For 2026/27, the focus will mainly be on the following initiatives:

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

122 Training and Development

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

The focus for this financial year will include intensifying the training provided in technical skills for the operational workforce in the Networks department. This will be achieved through the implementation of the approved Technical Training Strategy and Training Plan. The aim is to gradually enhance the internal training capacity and capability through various capacity building initiatives such as training and qualifying of internal employees who are subject matter experts as facilitators, assessors, and moderators. There are currently 25 employees who volunteered to be part of a capacity building project and who should be ready to start training other employees on the job in 2026. Refurbishment of the

Ffennell Training Centre is scheduled for completion towards the end of 2026. The project includes the building of a technical workshop and a water reticulation simulator. This improvement will allow employees to undergo practical training and onboarding training as and when required, eliminating the need to follow a cumbersome procurement process and save cost on training.

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

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

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

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

The Company has resolved to increase the duration of the Internship programme from one year to two years to ensure that Interns receive maximum exposure in work related activities that are relevant to their qualifications. The new process will be more structured and will see the Interns exiting their internship programme with a letter of recommendation from the Company. This will increase their chances to be employed in jobs relevant to their qualifications and experience. In 2026/27 FY the plan is to have at least 18 interns across the various disciplines. The targeted number is based on available budget and capacity to accommodate workplace experiential learning.

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

123 Training and Management Development Programmes

The Internal Training Plan includes credit and non-credit bearing learning programmes in the form of Artisan Recognition of Prior Learning (ARPL); Recognition of Prior Learning (RPL) Short Courses; Skill Programmes (technical and non-Technical); Learnerships and Apprenticeships. The Water Reticulation Practitioner qualification that was approved by the QCTO in 2020 is currently being implemented as a pilot programme in collaboration with the Department of Water and Sanitation (DWS) and the City of Tshwane. The first group of employees who are enrolled in this programme are envisaged to qualify in

2026 as this is a three-year programme. This qualification was mainly developed to replace the Domestic Plumbing qualification which was not relevant in terms of mass water reticulation services conducted by municipalities.

The Company is prioritising the development of its leadership cadre and invested in numerous leadership and management development programmes through the years. Programmes planned for 2026/27 FY are Leadership and Coaching, Group Coaching for Managers in the Networks department and Municipal Financial Management Programme. The Company also has a Memorandum of Agreement with the National School of Government where university accredited Supervisory, Foundation Management, Emerging Management and Advanced Management Development programmes are offered.

1.3 Talent Retention and Transition

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

As part of the Turnaround Strategy 2024 (TAS24) the Company will be engaging and entering into Memorandums of Agreement and Understanding with COJ Technical Staff Forum, ECSA and Rand Water. The purpose of this exercise is to ensure that the City including Johannesburg Water and other Municipal Entities develop engineers to the level of Professional Registration which will enable the City and Municipal Entities project manage and sign-off project of any scale and complexity.

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

1.3.1 Succession and Career Management

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

132 Retention of Critical Skills

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

A number of programmes are in place that cement the low turnover rate and encourage retention. These include the availability of career counselling, proper on-boarding and induction programmes, as well as regular analysis of exits. In addition, a management coaching programme has been in place since 2012. For FY 2026/27 the Company will focus on deliberately planning for courses and workshops that offer Continues Professional Development to enhance and maintain the professional statuses of professional employees.

133 Employment Equity and Transformation

Johannesburg Water acknowledges the need to develop a culture of diversity that goes beyond achieving the numbers through workforce representation. The society we service is very diverse; thus, it is important to develop a diverse workforce to serve the community. An Employment Equity (EE) Plan has been put in place, The Company’s five-year Employment Equity (EE) plan for the period 01 September 2025 to 31 August 2030 aligned to the Employment Equity Amendment Act, which came into effect on 1st January 2025, aims to achieve a workforce that is a representation of the demographics of the Water Supply, Sewerage, Waste Management, and Remediation Activities sector, published on the 15th April 2025 by the by the Minister of Employment and Labour, for the first four occupational categories (i.e., top management, senior management, professionally qualified skilled technical and skilled). The demographics of the Economically Active Population (EAP) of Gauteng are used as targets for the semi and unskilled occupational categories. There are two critical targets that the Company is prioritizing, the representation of females and persons with disabilities, and the achievement thereof is continuously monitored.

The EE Plan for the FY, which commenced on 31 August 2025, provides for the following targets for the employment of Females and PWD:

Female Representation:	40% by 30June 2027
PWD:	2.78% by 30 June 2027

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

134 Employee health and wellness

The Employee Wellness Programme provides an accessible, confidential 24-hrs/ 365 days support service to employees and their family members. As a worksite-based programme, it impacts on the mental, physical, financial, and social well-being of employees through identification, prevention, interventions, and resolution of personal and productivity-related challenges. As part of Promoting a Healthy Lifestyle,

awareness campaigns, including health screenings, are launched with the goal of motivating employees to adopt healthy lifestyles, detecting any health risks (including chronic illnesses), and preventing non-communicable diseases. In addition to health screenings, other support interventions such as Mental health awareness, EAP counseling, and referral services, Trauma debriefing, Gender-based Violence information sessions, financial Wellness information, substance abuse prevention sessions, the establishment of men's forum, etc. will be embarked on in the 2026/27 FY. Moreover, in the 2026/27 financial year the focus will be on reviewing the health and wellness model and programme to drive integration and address health and safety risks. The interventions are aimed at decreasing frustration, reducing absenteeism, improving morale, and ultimately increasing productivity.

1.4 Organisational Development and Planning

To drive high performance and service delivery, it is critical for the Company to achieve alignment in strategy, culture and organisational structure and systems. In order to support the strategic shift and alignment that the business is implementing from 2024/25 FY, it is critical to ensure that the right people capacity and skills are available to drive the achievement of the new strategy. To achieve this and as part of the Turnaround Strategy 2024, an in-depth organisational review process will be conducted focusing on the following programmes for 2026/27 FY:

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

1.5 Shift System

Water and Sanitation work is a 24-hour/ 7-days workstream, however Johannesburg Water is a five-day working company. After-hours work is performed through standby agreement and weekend work is classified as overtime and accordingly remunerated as such. Furthermore, over weekends, limited teams are available, although enhancement of service delivery requires full complement of staff even over weekends. Thus, the implementation of a shift system will be more beneficial for the type of work Johannesburg Water operations need to render. A working committee was established to develop a proposal for the implementation of a shift system, with the objective being to finalise the work and commence engagement with labour with the intention of implementation in the 2026/27 FY. Due to the delays in the process, the engagement process with organized labour is envisaged to continue. With the envisaged institutional review, the company will have an idea of other areas of the business where the shift system could be beneficial. Resultantly engagement with these departments will be initiated in the 2026/27 year.

2 Occupational Health and safety

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

2.1 Occupational Safety

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

During the 2023/24 FY, Johannesburg Water started implementing the International Organisation for Standardisation (ISO) 45001: Safety Management System and 14001: Environmental Management System. The Company has opted for corporate certification, which includes all activities within the Company's value chain. The system is implemented in phases with all the Corporate Documentation and Procedures developed. The next phase is the enrolment of the system to various sites which was initially planned for the 2024/25 FY but has moved to the 2026/27 FY due to budgetary constraints.

For the recent past years, Johannesburg Water has been measuring the safety performance of its operations using the Disabling Injury Frequency Rate (DIFR) with a target of 1. During the 2022/23 FY, the DIFR methodology was reviewed after a benchmarking exercise with other entities to assess if there is a need for improvement. The DIFR target has since been adjusted to 1.5 to include vehicle accidents in the calculation and this new approach will continue to the 2026/27 FY.

2.2 Occupational Health

A number of medical tests are conducted for our employees as part of the Medical Surveillance programme. The key objective of this programme is to proactively diagnose any health risks in the workplace with the aim of addressing them. To date the focus has been on individual employee assessments and during the 2026/27 FY, the medical surveillance programme will continue to be bolstered to portray an organisational profile based on the medical assessment from the relevant employees. This will enable the Company to assess the health programmes aimed at protecting the occupational health of the employees.

2.3 Environmental Management

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

2.4 Disaster Management

During the 2026/27 FY, Johannesburg Water will continue to implement the Disaster Management Plan should there be any disaster classified in the DMP or declaration of the disaster in terms of the Disaster Management Act 16 of 2015.

3. Security Management Services

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

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

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

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

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

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

Table: 31: Strategic Programmes/Focus

Strategic Programme/Focus	2025/2026 Action Plans/Programmes/KPI	2026/27 Action Plans/Programmes/KPI	Required Resources (Budget, Vacancies, etc.)	Comments
To improve customer and stakeholder satisfaction	• Deployment of Security Resources to Critical Sites	• Procurement of tactical Response Services, Armoured, crowd control, and VIP protection Services	Budget estimated to R 168,000,000.00	Tender was advertised and it was closed on the 30 th of March 2026.
Create a culture of innovation management and use technology.	• Declaration of the 6 Wastewater Treatment Works to be National Key Points • Conduct Security Risk assessment by SAPS and NKP advisory to the 5 WWTW	• Capex project -currently the Project Design Report (PDR on stage 2.	• Security recommendations are implemented in progress through the Security Automation project. • CAPEX recommendation: precast wall, lights and guardhouses to be implemented on the 26/27 FY, estimated budget allocated is R112,500,000.00	SAPS indicated that they would continue conducting threat and risk assessments at other sites if recommendations on the 1st site (Driefontein) are implemented.

Strategic Programme/Focus	2025/2026 Action Plans/Programmes/KPI	2026/27 Action Plans/Programmes/KPI	Required Resources (Budget, Vacancies, etc.)	Comments
Enable a high-performance culture which recognises and rewards good performance.	- Procurement of adequate tools of trade: radios, bullet traps, safes, pepper spray and torches. - Building of Brick mortar guardhouse	- Maintain the effectiveness of the equipment and replace those that need to be replaced - Building of +-20 brick mortar guardhouses at Pumpstations and reservoirs	PTT radio platform and license contract expired and RFQ forwarded to SCM for advert Process at BSC stage by Operations Department.	The security tools of trade life span are short, and they need to be replaced in two years period Interdependency on Operations Department.
To proactively support the governance and compliance to security Regulations,	Conduct Risk assessment on Johannesburg Water sites	When need arises	Conducted by security team, no budget required	Conduct evaluation and ensure that end users are implementing- the recommended security measures - on going process
To identify and mitigate security risks for the company	Implementation of security automation to 20 critical sites, installation of cameras and intruder detection systems	Implementation of the automation at 8 Critical sites	R13,279,516.51	In progress
To identify and mitigate security risks for the company	Deployment of human resources to 26 sites	Reduce the number of unmanned sites based on the approval of additional requested budget (96) sites	±R600,000,000.00	Depending on Budget availability

Security Services is dependent on Operations department in implementing all the recommendations and findings observed and outlined on the Threat and risk assessment conducted. Top Management to assist and support Security Services financially to ensure all identified security breaches are addressed to ensure effective protection of all Johannesburg Water infrastructures.

4. Facilities and Fleet Management Services

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

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

4.1 Office accommodation for Head Office

Johannesburg Water continues to be committed to provide the office space that is safe, secure, and conducive working environment to its employees, clients and visitors. It aims to provide the Facilities that create a positive and professional public image, portraying a dynamic entity that is customer focused.

The Facilities Management (FM) services within Johannesburg Water operates in a decentralized business model, with various regions and depots managing and overseeing their respective infrastructure. This fragmented approach has led to inconsistencies in acquisition, maintenance, compliance issues, and management of company assets. While it is the business expectation that the Head Office (HO) FM Department assumes full responsibility for the management and operations of all Johannesburg Water facilities, the department currently lacks the capacity to undertake this expanded role. In 2026/27 FY, the department will continue with the approach of overseeing the Head Office and Fennel Road, while providing the reasonable human capacity with adequate staffing and the relevant technical skills to perform the duties.

The centralisation of the Facilities Management Department will be explored as a long-term strategic objective. The proposed model will involve a phased implementation when the Department has adequate capacity, to allow for the gradual build-up of capacity, systems, and processes. The transition will be rolled out in defined milestones, starting with the takeover of only one region to pioneer the process. This staged approach will allow for resource alignment, stakeholder engagement, and reviewing the implementation plan before full integration is achieved across other Johannesburg Water sites.

The new head office building lease was acquired through Johannesburg Property Company (JPC) as per the mandate of the COJ. Johannesburg Water took occupation from the 01 March 2022 and the lease agreement expired on 31 March 2025. JPC has commenced the process to extend the lease for six (6) years and eleven (11) months, starting from 1 April 2025.

In 2026/27 FY Johannesburg Water acquired additional office space at Turbine Hall Precinct and concluded the lease agreement through the landlord for a period of six month, ending 28 February 2026. This is as part of implementing the Council-approved Turnaround Strategy adopted in 2024, to transfer the City's credit control function to Johannesburg Water. The acquired space accommodates ninety-five (95) transferred employees. JPC long-term lease of six (6) years and eleven (11) months will include this additional space.

4.2 Space Planning and Optimization strategy

Johannesburg Water continues to face significant office space constraints at its head office due to sustained organisational growth. In the 2026/27 financial year, implementation efforts will concentrate on redesigning current office layouts to maximise functional capacity and accommodate evolving organisational needs in line with Turnaround strategy 2024. The finalisation of the procurement process for Phase 2 project remains a critical milestone. The project is estimated be completed over the next two financial years, it will provide much-needed relief to current space shortages.

4.3 Building Management System

To drive high performance and enhance operational efficiency of the building, the introduction of a Building Management System (BMS) is a strategic requirement for Johannesburg Water's Facilities portfolio. A BMS provides a consolidated platform that integrates key building functions such as electrical systems, fire detection, HVAC, water supply, energy consumption and access control. This improves the reliability of compliance with the Occupational Health and Safety Act, the National Building Regulations (SANS 10400), by enabling early detection of faults, automated alerts, scheduled maintenance, and accurate reporting. The system also supports more effective risk management by identifying issues before they escalate into safety incidents, service interruptions or costly emergency repairs. The Department intends to procure the BMS in the 2026/27 FY in line with the business ambitions of using the automation for effective and efficient operations, moving away from the traditional/manual system.

4.4 Fleet Operations and Availability

Johannesburg Water continues to recognise that its fleet is a critical enabler of operational efficiency. The entity strives to provide a reliable, cost-effective and well-maintained fleet that fully supports its strategic and operational requirements. This includes ensuring compliance with all safety and regulatory standards, while adopting technologies that enhance monitoring, performance management and data-driven decision-making.

Johannesburg Water fleet procured through the fleet contract administrated by CoJ. The Entity has a fleet size allocation of 832 non-specialized and specialized vehicles. The non-specialised passenger vehicles tender was awarded to Afrirent Fleet Services. Through this process Johannesburg Water procured 650 various fleet units, 99% of new fleet delivered by Afrirent in 2025/25 FY is to ensure delivery of the customized vehicles. In the 2026/27 FY the entity intent to acquire 44 non-special trucks through CoJ as part of the shortage of the order procurement that was initially requested through the City and could not be delivered.

The entity continues to experience challenges with fleet availability, particularly with ageing units such as jetting and crane trucks, which are frequently out of service and difficult to repair due to limited availability of replacement parts. To address this, the entity has initiated a phased fleet renewal process through the Operations Department. Beginning in 2025/26 and continuing into 2026/27, this process focuses on replacing the most aged and unreliable vehicles to reduce downtime and enhance service delivery.

The company has opted to procure its own water tankers. The procurement of 20 water tankers for drinking water (10 x 12 000kl and 10 x 18 000kl) for the 2025/26 FY was finalised and water tankers were delivered. The company intend to procure 80 more water tankers over the next three financial years.

4.5 Automated fleet management

In line with the Turnaround Strategic Shift, which emphasizes the use of technology for improved efficiency and effectiveness, the Department's medium-term plan includes the implementation of automated fleet management. This modern approach leverages advanced technologies such as Artificial Intelligence (AI), Global Positioning Systems (GPS), and Internet of Things (IoT) devices to monitor and manage fleet operations in real time, thereby enhancing operational control, reducing costs, route optimization, and maintenance scheduling while promoting safer driving practices and fuel efficiency. The Department intends to facilitate the procurement of this technology to be installed as a pilot in the 2026/27 FY to be installed in City owned fleet.

4.2 Past performance

Table 32 assesses the past performance in terms of the three Strategic Goals that are impacting directly on the service delivery, which is mainly encapsulated in strategic goals 1,2, 3 & 4.

Table 32: Past performance in terms of Service Delivery.

Strategic goals or objectives	Achievements 2024/25	Achievements 2023/24	Achievements 2022/23	Achievements 2021/22
Strategic Goal 1	134% broad-based black economic empowerment (B-BBEE) procurement spend 1 449 EPWP job opportunities created 122 SMMEs supported	133% broad-based black economic empowerment (B-BBEE) procurement spend 1 483 EPWP job opportunities created 123 SMMEs supported	132% broad-based black economic empowerment (B-BBEE) procurement spend 1 808 EPWP job opportunities created	127% broad-based black economic empowerment (B-BBEE) procurement spend 2 028 EPWP job opportunities created
Strategic Goal 2	464.21 sewer blockages per 100 km of pipe length 328 pipe bursts per 100 km of pipe length 0.49% renewal rate on the network and WWTW 101.64% capital expenditure spent 99.40% water quality compliance 174 households provided with access to basic water 0 households provided with basic sanitation 1 796 households provided with basic sanitation	464.66 sewer blockages per 100 km of pipe length 402.36 pipe bursts per 100 km of pipe length 0.58% renewal rate on the network and WWTW 99.32% capital expenditure spent 99.20% water quality compliance 927 households provided with access to basic water 0 households provided with basic sanitation	473.94 sewer blockages per 100 km of pipe length 297.03 pipe bursts per 100 km of pipe length 0.50% renewal rate on the network and WWTW 103% capital expenditure spent 161 SMMEs supported 99.18% water quality compliance 1 453 households provided with access to basic water 2 349 households provided with basic sanitation	516.85 sewer blockages per 100 km of pipe length 390.65 pipe bursts per 100 km of pipe length 1.18% renewal rate on the network and WWTW 91.8% capital expenditure spent 213 SMMEs supported 99.5% water quality compliance 4 125 households provided with access to basic water 1 001 households provided with basic sanitation

Strategic goals or objectives	Achievements 2024/25	Achievements 2023/24	Achievements 2022/23	Achievements 2021/22
Strategic Goal 3	• 244.69 water consumption per capita (l/c/	• 261.73 water consumption per capita (l/c/d)	• 262.05 water consumption per capita (l/c/d)	• 267.65 water consumption per capita (l/c/d)
Strategic Goal 4	• 70.35% response time to sewer blockages • 90.89% response time to water bursts	• 67.46% response time to sewer blockages • 92.66% response time to water bursts	• 60.04% response time to sewer blockages • 65.92% response time to water bursts • 82.75% of accounts billed on actual consumption	• 95.53% response time to sewer blockages • 80.46% response time to water bursts • 90.15% of accounts billed on actual consumption
Strategic Goal 5	• 90.29% of accounts billed on actual consumption	• 85.36% of accounts billed on actual consumption		

4.2.1 Corporate scorecards

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

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

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

Key notes and concepts:

- The Baseline of 2024/25 FY was considered for target setting, being the last annual year of full performance.
- Target align to SMART Targets principle: Specific; Measurable; Achievable; Relevant; Time-bound
- The targets are based on allocated budget.
- Decreasing targets: Decreased score that the entity aims to achieve to reduce the set target, e.g., the goal is to reduce debtor days to 100.
- Quarterly targets are cumulative, the annual target disaggregated into quarterly targets, with previous quarters' targets added to the following quarters to total the annual target. Reporting show aggregated performance from the start of the Financial Year to the quarter being reported.
- Non-cumulative targets: The annual target not disaggregated into quarterly targets.
- The quarter 1 target of zero is set for basic services KPIs due to the delays in obtaining the list of informal settlements from Human Settlement. This allows proper planning and finalisation of engineering studies, designs and environmental processes for readiness to implement the projects in each new Financial Year. Over the past 3 financial years, it has been a challenge to get the approved list on time; hence, the delays resulted in the need to set the first quarter targets at zero.
- Targets with sub targets include percentage split in brackets for performance computation.

4.2.2 Institutional SDBIP indicators

Table 33 indicates Key Performance indicators that the Company supports in the Institutional SDBIP

Table 33: Institutional SDBIP

	KPI No	Key Performance indicator (KPI)/ predictive outcome indicator	Baseline 2024/25	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Key interventions	2026/27 budget (per programme)		2026/27 quarterly targets				Means of verification
										Capex R'000	Opex R'000	Q1	Q2	Q3	Q4	
IDP programme	1.	Number of additional households provided access to interim water services at minimum LoS 1 in informal Settlements.	174HH	2 000HH	2 200HH	2 400HH	2 600HH	2 800HH	Communal/ Yard Standpipes.	10,000		0	600HH	1 200HH	2 000HH	Contractor's practical completion certificate Handover Letter to Operations Listing of the Households physically counted.
	2.	Number of additional households provided access to interim sanitation services at minimum	1 796HH	3 050HH	3 450HH	3 700HH	4 000HH	4 400HH	VIP pour flush and ablution blocks	-	80,500	0	1 500HH	2 500HH	3 05HH	Contractor's practical completion certificate Handover Letter to Operations Listing of the Households

	KPI No	Key Performance indicator (KPI)/ predictive outcome indicator	Baseline 2024/25	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Key interventions	2026/27 budget (per programme)		2026/27 quarterly targets				Means of verification
										Capex R'000	Opex R'000	Q1	Q2	Q3	Q4	
		LoS 1 in informal Settlements														physically counted.
	3.	Total Water Losses.	207 136MI	200 293 MI	195 293 MI	188 036 MI	173 495 MI	170093 MI		270,000	180, 000	204 270 MI	203 054 MI	201 839 MI	200 293 MI	CoJ zonal water balance. Excel calculation sheet.
	4.	Volume of average total daily water demand	1 785MI/d	1 701 MI/d	1 670 MI/d	1 642 MI/d	1 550 MI/d	1 500 MI/d		270,000	180,000	1 720 MI/d	1 710 MI/d	1 607 MI/d	1 701 MI/d	IWA Water balance

4.2.3 Entity's Balanced Scorecard

Table 34 represents the Balanced Scorecard (BSC) for the entity. The entity measures its performance against the 34 Key Performance Indicators (KPIs) as approved in the Business Plan

Table 34: Entity's balanced scorecard

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
Accountability Performance - SPoMA (Weight 10%)	Financial Model and Business & Investment Plan (B&I)	MTS financial model developed and used to inform strategic financial/business operations	Develop financial Model and B&I plan Weight 35%	Budget envelope determined by current Financial Development Plan (FDP)	Council approval of B&I Plan; integration into MTREF and budgeting processes; continue implementation and monitoring cycle.	A/T	A/T	A/T	Council approval of B&I Plan; integration into MTREF and budgeting processes; continue implementation and monitoring cycle.	Submission of annual business and investment plan, which has been supported and prioritised by means of a JW financial model	Submission of annual business and investment plan, which has been supported and prioritised by means of a JW financial model	Submission of annual business and investment plan, which has been supported and prioritised by means of a JW financial model	Submission of annual business and investment plan, which has been supported and prioritised by means of a JW financial model	Submission of annual business and investment plan, which has been supported and prioritised by means of a JW financial model	OCFO	1
	Financial Transparency – separate AFS	Statement of key centre/trading services flows & balances: grant shares,	Report AFS for the entity separate from CoJ	• GRAP Compliant AFS being produced Integrated Annual	• Sustain publication of AFS, MTREF, and Business	A/T	A/T	A/T	Sustain publication of AFS, MTREF, and Business Plan; build capacity for	Maintain GRAP Compliant AFS being produced. Maintain Integrated Annual	Maintain GRAP Compliant AFS being produced. Maintain Integrated Annual	Maintain GRAP Compliant AFS being produced. Maintain Integrated Annual	Maintain GRAP Compliant AFS being produced. Maintain Integrated Annual	Maintain GRAP Compliant AFS being produced. Maintain Integrated Annual	OCFO	2

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		capex funding, revenue proceeds, inter-departmental overheads charged, cash balances, receipts and payments, etc.	Weight 35%	Report being produced. • Flows and Balances Report to be developed.	s Plan; build capacity for enhanced flows and balances reporting.				enhanced flows and balances reporting.	Report being produced including 'flows and balances statement.	Report being produced. including 'flows and balances statement	Report being produced including 'flows and balances statement.	Report being produced including 'flows and balances statement.	Report being produced including 'flows and balances statement.		
	Support for management of organisational change	Support for managing organisational change, including staff engagements, communications, service compacts, etc.,	Implement Change management as per the approved plan Weight 30%	• The business is currently facing challenges in filling critical positions due to a moratorium on hiring imposed by Johannesburg City.	Execute change programme with annual review; institutionalize transition support, stakeholder alignment, and performance tracking.	A/T	A/T	A/T	Execute change programme with annual review; institutionalize transition support, stakeholder alignment, and performance tracking.	Implement recommendations from the organisational review exercise, supported by the approved change management program and change	Monitoring and evaluation of the Change Management Program and adjustments effected as necessary	Monitoring and evaluation of the Change Management Program and adjustments effected as necessary	Monitoring and evaluation of the Change Management Program and adjustments effected as necessary	Monitoring and evaluation of the Change Management Program and adjustments effected as necessary	HR & CS	3

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
				As part of the Turnaround Strategy, Billing functions have been approved for transfer to the entity from COJ RSSC. S197 transfers are expected to be completed by June 2025 for Johannesburg Water to commence with full function						management capacity that is introduced						

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
				billing to achieved SPOMA. • A framework for organizational change management developed. Framework guides related change management activities. Specifically, the change sponsor plan for business leadership to be adopted and the												

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
				appointment and training of change agents from the various business units to be conducted.												
Accountability Performance (Weight 10%)	Customer surveys	Regular metro-wide customer satisfaction surveys (to inform Customer Care Management Plan) show improvement in customer satisfaction towards benchmark	Percentage customer satisfaction Weight 20%	73.6% (Outlier, Baseline study missed key stakeholders)	70%	A/A	A/T	A/T	70%	71%	72%	72%	72%	72%	SRC	4
	Financial Accounting - mSCOA	mSCOA compliance as per the minimum	Percentage Implemented	Non Compliant	80%	10%	20%	30%	80%	90%	100%	100%	100%	100%	OCFO	5

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
	compliance	business processes and system requirement articulated in Annexure B of MFMA Circular 80	ntation against COJ implementation plan Weight 20%													
	Public procurement transparency	Procurement plans are actively managed, and projects delivered according to the plan; All open tender opportunities are advertised, bidders list published, tender awards made, and contracts signed, on National Treasury (NT)	Audit Outcome on SCM Weight 20%	- Fully compliant SCM processes - Clean Audit on SCM - Approved Turnaround for SCM to improve efficiency /effectiveness	100% full compliance with SCM prescripts with 75% implementation of annual procurement plan	100% full compliance with SCM prescripts with 10% implementation of annual procurement plan	100% full compliance with SCM prescripts with 40% implementation of annual procurement plan	100% full compliance with SCM prescripts with 75% implementation of annual procurement plan	100% full compliance with SCM prescripts with 75% implementation of annual procurement plan	100% full compliance with SCM prescripts with 80% implementation of annual procurement plan	100% full compliance with SCM prescripts with 90% implementation of annual procurement plan	100% full compliance with SCM prescripts with 90% implementation of annual procurement plan	100% full compliance with SCM prescripts with 90% implementation of annual procurement plan	100% full compliance with SCM prescripts with 100% implementation of annual procurement plan	OCFO	6

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		eTenders, all within 10 days of event														
	Capital Budget Execution	This measures how effectively an organization or public sector entity manages and executes investment projects to achieve its objectives.	Percent age capital budget spending Weight 20%	101.64%	95%	10%	35%	65%	95%	95%	95%	95%	95%	95%	OCOO	7
	Core technical & management capacity	Measures to build internal technical and management capacity, including technical management of contracted/ outsourced services	Number of core technical & management capacity provided internally Weight	(58) 9 PR Eng 38 Pr Tech Eng 7 Pr Techni 4 Environmental Scientists at Johannes	(81) 14 Pr Eng 44 PrTech Eng 18 Pr Techni 5 Env Sc	A/T	A/T	A/T	(81) 14 Pr Eng 44 PrTech Eng 18 Pr Techni 5 Env Sc	(103) 17 Pr Eng 46 PrTech Eng 30 Pr Techni 10 Env Sc	(120) 20 Pr Eng 48 PrTech Eng 42 Pr Techni 10 Env Sc	(138) 23 Pr Eng 50 PrTech Eng 55 Pr Techni 10 Env S	152 25 Pr Eng 50 PrTech Eng 67 Pr Techni 10 Env S	152 25 Pr Eng 50 PrTech Eng 67 Pr Techni 10 Env S	HR & CS	8

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		Skills audit Fund and fill essential posts Technical competence development	20%	burg Water												
Financial performance (Weight 30%)	Financial viability OCCR	OCCR = operating revenue / operating expenses (excluding interest and depreciation)	Financial viability OCCR Ratio Weight 15%	1.05	1.22	1.22	1.22	1.22	1.22	1.26	1.30	1.28	1.32	1.37	OCFO	9
	Cash collection rate	Cash collected / invoiced revenues per month	Percentage cash collected / invoiced revenues per month Weight 20%	75.70%	74.38%	74.38%	74.38%	74.38%	74.38%	74.60%	75.42%	77.91%	79.91%	81.91%	OCFO	10
	Operational cash flow	Cash available after operating expenses (excl interest &	Amount of cash available after operating	1,226,616	1,972,799	493,200	986,400	1,479,599	1,972,799	2,311,617	2,746,399	2,912,849	3,383,042	4,070,804	OCFO	11

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		depr)	expenses (excl interest & depr) (R'000) Weight 15%													
	Customer debt management - debtors' days	Net customer debtors / annual customer billings x 365	Number of Customer debtors' days Weight 15%	86 days	65 Days	65 Days	65 Days	65 Days	65 days	63 days	60 days	58 days	57 days	55 days	OCFO	12
	Infrastructure spending (capex)	Level of actual Trade Services (TS) CAPEX	Rand value of Capex Spent (R'000) Weight 20%	1,064,790	1,960,125	196,013	686,044	1,274,081	1,960,125	2,018,877	2,531,980	2,887,364	2,986,095	2,986,095	OCOO	13
	Self-financing ratio	Cash flow from operations / CAPEX (additions to PPE)	Self-financing ratio Weight 15%	1.15	1.01	1.01	1.01	1.01	1.01	1.15	1.14	1.01	0.79	0.98	OCFO	14

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
Operations - Water and Sanitation (Weight 40%)	Water Security – system input volume as % raw water allocation	The bulk water system input volume versus the permitted raw water allocation volume.	Volume of average total daily water demand Weight 10%	1 785MI/d	1 701 MI/d	1 720 MI/d	1 710 MI/d	1 707 MI/d	1 701 MI/d	1 670 MI/d	1 642 MI/d	1 550 MI/d	1 500 MI/d	1 500 MI/d	OCOO	15
	Drinking Water Systems - Blue Drop	The latest available Blue Drop (BDP) assessment results. Based on DWS audit of water supply system incl physical inspections.	Percent age Blue Drop assessment results based on DWS audit of water supply system incl physical inspections. Weight 10%	95%	98%	A/T	A/T	A/T	98%	See note 1.	98%	-	98%		OCOO	16

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
	Waste Water Treatment Systems - Green Drop	The latest available Green Drop assessment results. Based on DWS audit of entire value chain of municipal WW services.	Percentage Green Drop assessment results based on DWS audit of entire value chain of municipal WW services. Weight 10%	48.8%	42%	A/T	A/T	A/T	42%	N/A	45%	N/A	48%	N/A	OCOO	17
	Wastewater Final Effluent Quality	Wastewater Quality Compliance as Percentage of specified licence/ permit/ authorisation requirements tested pa.	Percentage final effluent compliance in all WWTW Weight 5%	70.9%	70%	76%	74%	72%	70%	67%	65%	70%	75%	80%	OCOO	18
	Water Network performance – mains failures /	Number of water mains failures per 100km of	Number of water pipe bursts per 100 km of	328.00	270	240	250	260	270	248	221	240	230	220	OCOO	19

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
	100 km	mains pipe per year.	network length Weight 10%													
	Sewer Network performance – blockages / 100 km	Number of blockages per 100km of sewer length per year.	Number of sewer blockages per 100 km of network length Weight 10%	464.21	440	140	280	360	440	430	420	410	400	400	OCOO	20
	Physical water loss – Infrastructure Leak Index	Infrastructure Leakage Index (ILI).	Infrastructure leakage index Weight 5%	9.6	8.61	8.31	8.41	8.51	8.61	8.61	7.69	7.69	6	6	OCOO	21
	Water Service Complaints Response percentage in 48 hours	Percentage of callouts responded to within 48 hours (water).	Percentage of callouts responded to within 48 hours (water).	70.35%	92%	80%	85%	90%	92%	95%	95%	95%	95%	95%	OCOO	22

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
			Weight 10%													
	Sewer Service Complaints Response % in 48 hours	Percentage of callouts responded to within 48 hours (sanitation/wastewater).	Percentage of callouts responded to within 48 hours (sanitation/wastewater) Weight 10%	90.89%	95%	95%	95%	95%	95%	95%	95%	95%	95%	95%	OCOO	23
	Non-Revenue Water	Percentage non-revenue water as per IWA water balance guidelines and NT guidance document.	Percentage Non-Revenue Water Weight 10%	44.8%	42.85%	41.0%	41.85%	42.0%	42.85%	41.4%	39.11%	38.94%	36.73%	34.98%	OCOO	24
	Metering performance	Number of metered properties where billing takes place	Percentage actual water meter readings	90.29%	93%	91%	91%	92%	93%	94%	95%	96%	96%	96%	OCFO	25

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		monthly based on actual readings.	submitted to bill Weight 10%													
Utility mandate (Weight 10%)	Percentage compliance with drinking water quality standard on E. Coli (SANS 241)	Percentage of drinking water samples complying with the SANS 241 E. Coli standard to the number of drinking water samples taken.	Percentage compliance with drinking water quality standard on E. Coli (SANS 241) Weight 10%	99.40%	99%	99%	99%	99%	99%	99%	99%	99%	99%	99%	OCOO	26
	Number of additional households provided access to interim water-services at minimum LoS 1 in informal Settlement	A basic water service refers to the provision of water in informal settlements through the installation of communal	Number of additional households provided access to basic water at	174 HH	2 000HH	0	600HH	1 200HH	2 000HH	2 200HH	2 400HH	2 600HH	2 800HH	3 000HH	OCOO	27

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
	s	/yard standpipes.	minimum LoS 1 in informal Settlements. Weight 15%													
	Number of additional households provided access to interim sanitation at minimum LoS 1 in informal Settlements.	A basic sanitation service refers to the provision of sanitation in informal settlements through the installation of VIPs, ablution blocks, waterborne sewer system.	Number of additional households provided access to basic sanitation at minimum LoS 1 in informal Settlements. Weight 15%	1 796HH	3 050HH	0	1 500 HH	2 500 HH	3 050HH	3 450HH	3 700HH	4 000HH	4 400HH	4 500HH	OCOO	28

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
	Renewal rate of water and sewer networks and WWTW based on value	Measurement of renewal of the asset base to prevent failure and ensure efficient service delivery	Renewal rate of water and sewer networks and WWTW based on value Weight 10%	0.49	0.930	0.093	0.326	0.605	0.930	1.31	1.34	1.34	1.34	1.34	OCOO	29
	Percentage total B-BBEE procurement spent on qualifying SMMEs.	The purpose is to determine the B-BBEE procurement spend percentage within this SMME group and an achievement of at least 125%. It also indicates that most of the SMME suppliers used by the	Percentage total B-BBEE procurement spent on qualifying SMMEs. Weight 10%	134%	133%	133%	133%	133%	133%	133%	133%	133%	133%	133%	OCFO	30

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		entity are Level 2, which equates to 125% B-BBEE recognition.														
	Audit opinion issued by AGSA	The indicator is indicative of the resolution rate of internal Audit and AGSA finding	Audit opinion issued by AGSA. Weight 10%	Unqualified audit opinion	Clean audit opinion issued by AGSA	Annual target	Annual target	Annual target	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	Clean audit opinion issued by AGSA	OCFO	31
	Percentage of female employees	The indicator is indicating the total number of female employees as a total number of staff complement in percentage	Percentage of female employees Weight 10%	36.92%	41.5%	37.8 %	37.75 %	38.14 %	41.5%	43%	43%	43%	43%	43%	HR&CS	32
	Disabling injury frequency rate	Disabling injury frequency rate intends to calculate	Disabling injury frequency rate	1.4	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	1.5	HR&CS	33

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/ starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
		the rate at which employees are injured while executing their duties. The target is ≤ 1.5	Weight 10%													
		Institutionalisation of the Local Government Framework for Infrastructure Delivery and Procurement Management (LGFIDPM),	Percentage Institutionalisation of LG-FIDPM Weight 10%	New	90%, Institutionalisation Verified: Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	25%, Baseline Establishment Complete d: Government e/SOP align ment initiated. GRT, Champions,	50%, Training Completed: - Training conducted Pilot in gate usage demonstrated	75%, Monitoring & Reporting Embedded: - JSIP reports / CAPEX reporting submitted Regular (frequency	90%, Institutionalisation Verified: Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	90%, Institutionalisation Verified: Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	90%, Institutionalisation Verified: - Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	90%, Institutionalisation Verified: - Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	90%, Institutionalisation Verified: - Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	90%, Institutionalisation Verified: - Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	OCOO	34

Key performance Area	Item name	Item description	Key performance Indicator	Baseline/starting point 2024/25	Target 2026/27	Q1	Q2	Q3	Q4	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Target 2031/32	Owner	Ref#
						and Superuser's identified.		to be determined) gateway evidence produced.								

Note1: Blue Drop Score is not issued on annual basis, however, the Drop Risk Rating (BDRR) is issued in the year Blue Drop (BD) score is issue and in the year it is done on its own.

The BDRR contains 5 risk indicators:

- 1. design capacity (A) - with input parameters from Rand Water, and population of the COJ*
- 2. operational capacity (B) - with input parameters from Rand Water,*
- 3. water quality compliance (C) - JW,*
- 4. technical capacity (D) - JW, and*
- 5. water safety plans (E) - JW.*

Thus, Johannesburg Water can do only items 3 to 5 on its own for the BDRR or Blue Drop PAT (BDPAT). But this will be a different KPI or KPA to that used by DWS on the BDRR.

Table 35: Entity KPIs budgets

Table 35 is the entity's budgets in achievement of the KPIs.

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Develop financial Model and B&I plan	1.	Budget envelope determined by current Financial Development Plan (FDP)	Council approval of B&I Plan; integration into MTREF and budgeting processes; continue implementation and monitoring cycle.	N/A	-	-	-	-	-
Report AFS for the entity separate from CoJ	2.	- GRAP Compliant AFS being produced. - Integrated Annual Report being produced. - Flows and Balances Report to be developed.	Sustain publication of AFS, MTREF, and Business Plan; build capacity for enhanced flows and balances reporting.	N/A	-	-	-	-	-
Implement Change management as per the approved plan	3.	The business is currently facing challenges in filling critical positions due to a moratorium on hiring imposed by Johannesburg City.	Execute change programme with annual review; institutionalize transition support, stakeholder alignment, and	N/A	-	-	-	-	-

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
		- As part of the Turnaround Strategy, Billing functions have been approved for transfer to the entity from COJ RSSC. S197 transfers are expected to be completed by June 2025 for Johannesburg Water to commence with full function billing to achieved SPOMA. - A framework for organizational change management developed. Framework guides related change management activities. Specifically, the change sponsor plan for business leadership to be adopted and the appointment and training of change	performance tracking.						

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
		agents from the various business units to be conducted.							
Percentage customer satisfaction	4.	73.06%	70.0%		1,500	-	-	-	1,500
Percentage Implementation against COJ implementation plan	5.	Non-compliant	80%	N/A	-	-	-	-	-
Audit Outcome on SCM	6.	- Fully compliant SCM processes - Clean Audit on SCM - Approved Turnaround for SCM to improve efficiency/effectiveness	100% full compliance with SCM prescripts with 75% implementation of annual procurement plan	N/A	-	-	-	-	-
Percentage capital spending	7.	101.06%	95%	1,960,125	-	196,013	686,044	1,274,081	1,862,119
Number of core technical & management capacity provided internally	8.	(58) 9 Pr Eng 38 Pr Tech Eng 7 Pr Techni 4 Environmental Scientists at Johannesburg Water	(81) 14 Pr Eng 44 PrTech Eng 18 Pr Techni 5 Env Sc	N/A	-	-	-	-	-
Financial viability OCCR	9.	1.05	1.22	N/A	-	-	-	-	-

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Percentage cash collected / invoiced revenues per month	10.	75.70%	74.38%	N/A	-	-	-	-	-
Amount of cash available after operating expenses (excl interest & depr)	11.	1,226,616	1,972,799	N/A	1,972,799	493,200	986,400	1,479,599	1,972,799
Number of Customer debtors' days	12.	86 days	65 Days	N/A	-	-	-	-	-
Rand value of Capex Spent	13.	1,064,790	1,960,125	1,960,125	-	196,013	686,044	1,274,081	1,960,125
Self-financing ratio	14.	1.15	1.01	N/A	-	-	-	-	-
Volume of average total daily water demand	15.	1 785MI/d	1 701 MI/d	270 000	180 000	90 500	137,000	209,500	450,000
Percentage Blue Drop assessment results based on DWS audit of water supply system incl physical inspections.	16.	95%	98%	-	10,429	2,607	2,607	2,607	10,429
Percentage Green Drop assessment results based on DWS audit of	17.	48.8%	42%	1,960,125	682,311	550,000	675,500	678,000	837,125

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
entire value chain of municipal WW services.									
Percentage final effluent compliance in all WWTW	18.	70.9%	70%	154,814	682,311	550,000	675,500	678,000	837,125
Number of water pipe bursts per 100 km of network length	19.	328	270	252,000	164,261	63,000	126,000	189,000	416,261
Number of sewer blockages per 100 km of network length	20.	464.21	440	168,000	172,945	42,000	84,000	125,000	340,945
Infrastructure leakage index	21.	10.1	8.61	270 000	180 000	90 500	137,000	209,500	450,000
Percentage of callouts responded to within 48 hours (water).	22.	70.35%	92%	-	281,375	119,100	138,250	257,350	281,375
Percentage of callouts responded to within 48 hours (sanitation/wastewater)	23.	90.89%	95%	-	336,318	79,400	158,800	238,200	336,318
Percentage Non-Revenue Water	24.	44.8%	42.85%	270 000	180 000	90,500	137,000	209,500	450,000
Percentage actual water meter readings	25.	90.29%	93%	77,600	54,000	25,800	64,500	90,300	131,600

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
submitted to bill									
Percentage compliance with drinking water quality standard on E. Coli (SANS 241)	26	99.40%	99%	-	17,600	4,400	8,800	13,200	17,600
Number of additional households provided access to interim water-services at minimum LoS 1 in informal Settlements.	27	174HH	2 000HH	10 000	-	1,000	3,500	6,500	10,000
Number of additional households provided access to interim sanitation at minimum LoS 1 in informal Settlements.	28	796HH	3 050HH	-	80 500	5,000	17,000	35,000	80 500
Renewal rate of water and sewer networks and WWTW based on value	29	0.49%	0,93%	1,048,112	-	104,811	366,839	681,273	1,048,112

Key performance indicator	Ref	Baseline 2024/25	2026/27 Target	2026/27 budget per project R'000					
				Total budget		Quarterly budget target Capex and Opex			
				Capex R'000	Opex R'000	Q1 R'000	Q2 R'000	Q3 R'000	Q4 R'000
Percentage total B-BBEE procurement spent on qualifying SMMEs.	30	134%	133%	N/A	-	-	-	-	-
Audit opinion issued by AGSA.	31	Unqualified audit opinion	Clean audit opinion issued by AGSA	N/A	-	-	-	-	-
Percentage female employees	32	36.92%	41.5%	N/A	-	-	-	-	-
Disabling injury frequency rate	33	1.4	1.5	N/A	-	-	-	-	-
Percentage Institutionalisation of LG-FIDPM	34	New	90%, Institutionalisation Verified: Full scorecard evidence pack submitted. Improvement actions incorporated and signed off.	N/A	-	-	-	-	-

Note 2: Not Applicable, part of the day-to-day running of the entity and it's a shared budget.

4.2.4 KPI definition

Table 36 indicates the KPI definition, calculation formula and the means of verification.

Table 36: KPI definitions

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
1.	Financial Model and B&I plan developed, approved and implemented	MTS financial model developed and used to inform strategic financial/business operations	Capex & opex funding of MTSR initiatives evident in budget docs GRAP19 accounting, where applicable Explicit acknowledgement of amounts are maxima subject to performance Explicit breakage clauses re SPoMA, governance, funding, tariffs, etc.	Financial Model and B&I plan reports	- Approved Financial Model and B&I plan - Financial Model and B&I plan implementation progress report	No limitation	Non - Cumulative	Annually	Yes	N/A	OCFO
2.	Report AFS for the entity separate from CoJ	Statement of key centre/trading services flows & balances: grant shares, capex funding, revenue proceeds, inter-departmental overheads charged, cash balances,	Pre-audited) AFS Signed by Trading Unit CFO and CM Annual report Management reports signed by HOD and CM	AFS for the entity reported separate from CoJ	Annual report Management reports signed by HOD and CM	No limitation	Non - Cumulative	Annually	Yes	N/A	OCFO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
		receipts and payments, etc.									
3.	Implement Change management as per the approved plan	Support for managing organisational change, including staff engagements, communications, service compacts, etc, etc	Appointment letter Change plan Progress reports Must demonstrate effective capacity for org change (skills, culture, morale, performance) and new service compacts	Change plan reports	Appointment letter Change plan Progress reports	No limitation	Cumulati ve	Quarte rly & annuall y	Yes	N/A	HR& CS
4.	Percentage customer satisfaction	Regular metro- wide customer satisfaction surveys (to inform Customer Care Management Plan) show improvement in customer satisfaction towards benchmark	Survey report Signed by HoD: MTS Increase to 80% over longer term Potentially a Circular 88 indicator	Identified sample through door to door, Focus Group Discussions and telephonic interviews.	Customer satisfaction survey report	No limitation	Non- Cumulati ve	Annual ly	N/A	Market and Market Research	SRC
5.	Percentage Compliance to mSCOA	The <i>mSCOA</i> compliance technical indicator evaluates a Trading Services Business Unit or Entity's alignment with the	<i>mSCOA</i> compliance ensures that the business unit's financial systems, processes, and reporting mechanisms meet the requirements outlined in the	<i>mSCOA</i> compliance report as per the minimum business processes and system requirement articulated in	City Manager (Accounting Officer) certificate of <i>mSCOA</i> compliance, confirmed / counter-signed	No limitation	Cumulati ve	Quarte rly and annuall y	Yes	N/A	OCFO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
		prescribed standards for financial accounting, reporting, and internal controls (minimum business processes and system requirements) as articulated in Annexure B of MFMA Circular No. 80	Minimum Business Processes and Systems Requirements (MBPSR). Such compliance re-enforces the Metro Trading Service Reform programme by offering the easiest and only feasible way for metros to achieve financial transparency requirements (M5).	Annexure B of MFMA Circular 80	by NT mSCOA team.						
6.	Compliance with SCM prescripts and Policy	Procurement plans are actively managed, and projects delivered according to the plan; All open tender opportunities are advertised, bidders list published, tender awards made, and contracts signed, on NT eTenders, all within 10 days of event	Generation of audited data strings (PAUD, AUDA, RAUD) from integrated system solution Module or sub-system used to seamlessly integrate to core integrated system solution used by Metro as required i.t.o mSCOA Regulations (no manual integration).	At a minimum, this indicator requires compliance with statutory regulations regarding procurement transparency: that all TS tender opportunities are advertised, and bidders' lists, tender awards and contracts signed are all published	Progress report on actively managed Procurement plans and projects delivered according to the plan,	No limitation	Non-Cumulative	Quarterly and annually	Yes	N/A	OCFO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
				according to regulations. Trading Services should however take steps to improve their procurement transparency beyond the minimum. Such steps should include use of a reliable e-procurement portal as regulated, and comprehensive disclosure of all procurement information, presented in an accessible manner, on a well-maintained, up-to-date website.							
7.	Capital Budget Execution	This measures how effectively an organization or public sector entity manages and executes investment	AFS, annual reports, management reports	Monthly Reporting and AFS	Actual expenditure/annual capital budget X 100%.	No limitation	Non-Cumulative	Quarterly and annually	Yes	Capex	OCFO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
		projects to achieve its objectives.									
8.	Number of core technical & management capacity provided internally	Measures to build internal technical and management capacity, including technical management Skills audit fund/grants to fill essential posts Technical competence development	No of Engineering Council of SA (ECSA Professional Engineers Registered Technologists Registered Technicians Environmental Scientists per 100 k pop (in license area), appointed in terms of gender equity policy Percentage of critical vacancies filled	HR Reports and escalation based on COO's Departmental needs	No of Engineering Council of SA (ECSA Professional Engineers Registered Technologists Registered Technicians Environmental Scientists per 100 k pop (in license area), appointed in terms of gender equity policy Percentage of critical vacancies filled	No limitation	Cumulati ve	Quarte rly and annuall y	Yes	Opex	HR& CS
9.	Financial viability (OCCR)	OCCR = operating revenue / operating expenses (excluding interest and depreciation)	AFS, annual reports, management reports	Monthly Reporting and AFS	OCCR = (gross profit + equitable share)/ (operating expenses – depreciation)	No limitation	Non- Cumulati ve	Quarte rly and annuall y	Yes	N/A	OCFO
10.	Percentage cash collected /	Cash collected / invoiced	FS	Monthly reporting and AFS	Cash collected / invoiced	No limitation	Cumulati ve	Quarte rly and	Yes	N/A	OCFO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
	invoiced revenues per month	revenues per month	(A1 & C71 ratios populated from <i>m</i> SCOA audit data strings (reports available on LGDRS)		revenues per month			annual y			
11.	Amount of cash available after operating expenses (excl interest & depr)	Cash available after operating expenses (excels interest & depr)	The purpose is to measure the availability of cash to invest in the business	Monthly reporting and AFS	Cash available after operating expenses (excl interest & depr)	No limitation	Cumulati ve	Quarte rly and annual y	Yes	N/A	OCFO
12.	Number of Customer debtors' days	Net customer debtors / annual customer billings x 365	The purpose it to measure customer debt management	Monthly reporting and AFS	Net customer debtors / annual customer billings x 365	No limitation	Cumulati ve	Quarte rly and annual y	Yes	N/A	OCFO
13.	Rand value of Capex Spent	Level of actual TS CAPEX	The purpose is to indicate the capital budget spend against the allocated budget in percentage	Expenditure reports drawn from SAP system and approved capex allocation/budget		No limitation	Cumulati ve	Quarte rly and annual y	No	Capex- Projects	OCOO
14.	Self-financing ratio	Cash flow from operations / CAPEX (additions to PPE)	(Pre-audited) AFS Signed by metro & Trading Unit CFO and HOD	Monthly reporting and AFS	Cash flow from operations / CAPEX (additions to PPE)	No limitation	Cumulati ve	Quarte rly and annual y	Yes	Opex	OCFO
15.	Volume of average total	The bulk water system input volume versus	C88, WS4.11 expanded	IWA Water balance. Billing	System Input Volume /1000/ No of billing	No limitation	Cumulati ve	Annual ly	Yes	Capex- Projects	OCOO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
	daily water demand	the permitted raw water allocation volume.	Permitted water use allocations are regularly determined by the DWS facilitated water reconciliation strategies, which reconcile all available (surface and groundwater) water resources, with current use requirements. This allocation, in the form of a Water Use License or Government Notice of restrictions or directives to curtail use, also applies to water service providers such as Water Boards.	period schedule from Rand Water.	days= Annual Average Daily Demand in ML/d						
16.	Percentage Blue Drop assessment results based on DWS audit of water supply system incl	The latest available Blue Drop assessment results. Based on DWS audit of water supply system incl	Blue Drop certification programme seeks to identify and develop the core competencies required for the	The required portfolio of evidence (PoE) for the audit, i.e., Documentation on sampling and analysis results.	Audit Scorecard to consider evidence against 5 Key Performance Areas (KPA's):	No limitation	Blue drop assessment score sheet.	Biennial	Yes	Capex & Opex	OCOO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
	physical inspections.	physical inspections.	sector that, if strengthened, will gradually and sustainably improve the level of drinking water management in South Africa	Technical interviews and site inspections	1.Capacity Management 2.Drinking Water Quality Risk Management 3.Financial Management 4.Technical Management 5.Drinking Water Quality Compliance.						
17.	Percentage Green Drop assessment results based on DWS audit of entire value chain of municipal WW services.	The latest available Green Drop assessment results. Based on DWS audit of entire value chain of municipal WW services.	To evaluate wastewater management systems through incentive-based regulation, rewarding excellence (≥90% scores) while penalising poor performance, to drive compliance with environmental standards and protect public health.	Operational metrics. Technical skills Documentation Sampling and analysis results. Technical interviews and site inspections	Audited Report on five KPA's defined by the Regulator, including bonus points and penalties	None	Green drop assessment score sheet.	Biennial	Yes	Capex & Opex	OCOO
18.	Percentage final effluent	The overall percentage	Percentage of Wastewater Quality	The information comes from a	Total number of daily samples	Strikes and service	Cumulative	Quarterly and	No	Operations Support	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
	compliance in all WWTW	compliance of the wastewater treatment plants to the compliance parameters as stipulated in their individual water use licences.	Compliance to specified licence/permit/authorisation requirements tested during the municipal financial year. The percentage is calculated on the basis of aggregated results per Water Use License determinant.	system-generated effluent quality LIMS reports and Excel calculation sheets. It is collected through sampling, analysis and reporting of results for effluent samples.	per works per indicator per month complying with the limit in the water use licence) / (total number of daily samples per works per indicator per month) x 100% = percentage monthly compliance per works per indicator in the water use licence	delivery protests. No access to sampling points. Unavailability of sampling equipment		annually		overheads, Quality Assurance, Laboratory Support, Scientific services cost centres	
19.	Number of water pipe bursts per 100 km of network length	Frequency of water bursts being experienced as an indication of water infrastructure performance and condition.	Number of water mains failures per 100km of mains pipe per year. "Mains" refers to all transmission and distribution pipes for water, the ownership of which is vested in the municipality for the purpose of	System-generated RRR Report, IMQS infrastructure lengths, Excel calculation sheet and SAP Dataset for work orders received (Excel spreadsheet)	(A) Number of works orders received R&M mains + number of work orders received R&M valves and hydrants (B) Total length of water mains/100	No limitation	Cumulative	Quarterly and annually	Quarterly and annually	Opex, Salaries and allowances budget for labour and Total Stores issues for spares	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
			conveying water to consumers.		C) A/B = number of bursts per 100 km						
20.	Number of sewer blockages per 100 km of network length	Frequency of sewer blockages being experienced as an indication of the sewer infrastructure performance and condition.	Number of blockages in sewers per 100km of sewer length per year. Blockages are defined as reported or logged blockages that result in an obstruction of system flow which may be caused by roots, obstructive items or other pipeline disruption.	System-generated RRR Report, IMQS infrastructure lengths Excel calculation sheet and SAP Dataset for work orders received (Excel spreadsheet)	(A) Number of work orders received on sewer main blockages (B) Total length of sewer mains/100 (C) A/B = number of blockages per 100 km	No limitation	Cumulative	Quarterly and annually	No	Opex, R&M Vacuum tankers	OCOO
21.	Infrastructure leakage index	The infrastructure leakage index is derived from the structural and operational characteristics of the entire water infrastructure network. It is measured in terms of the real water loss from the supply	The infrastructure leakage index is derived from the structural and operational characteristics of the entire water infrastructure network. It is measured in terms of the real water loss from the supply	Swift Software	(1) Current annual real water losses in the network / (2) Unavoidable annual real water losses	No limitation	Cumulative.	Annually	No	- Opex (Network and WDM budget) - Capex (WDM)	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
		network of physical distribution systems.	network of physical distribution systems.								
22.	Percentage of callouts responded to within 48 hours (water).	Percentage callouts (outages inclusive of complaints logged over outages) responded to within 48 hours (water). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to	Percentage callouts (outages inclusive of complaints logged over outages) responded to within 48 hours (water). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification	RRR Report, IMQS infrastructure lengths, Excel calculation sheet and SAP Dataset for work orders received (Excel spreadsheet)	((1) Number of callouts responded to within 48 hours (water) / (2) Total water service callouts received) x100%	No limitation	Cumulative.	Quarterly and annually	No	Salaries and allowances for labour. R&M line items for repairs/spares	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
		within 48 hours of notification.									
23.	Percentage of callouts responded to within 48 hours (sanitation/waste water)	Percentage callouts (inclusive of outages logged with the municipality and complaints related to outages) responded to within 48 hours (sanitation/waste water). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to	Percentage callouts (inclusive of outages logged with the municipality and complaints related to outages) responded to within 48 hours (sanitation/wastewater). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification.	RRR Report, IMQS infrastructure lengths, Excel calculation sheet and SAP Dataset for work orders received (Excel spreadsheet)	((1) Number of callouts (outages logged on the municipal system) responded to within 48 hours (sanitation/waste water) / (2) Total wastewater/sanitation callouts received) x 100%	No limitation	Cumulative.	Quarterly and annually	No	Salaries and allowances for labour. R&M line items for repairs/spares plus Contractor's: Vacuum tankers for jetting (clearing blockage)	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
		within 48 hours of notification.									
24.	Percentage Non-Revenue Water	Percentage reduction of the three components of NRW, including physical (real) losses, commercial (apparent) losses and authorised, unbilled metered and non-metered consumption.	Non-revenue water is defined as the sum of unbilled authorised consumption, apparent losses (unbilled unauthorised consumption and meter inaccuracies) and real losses (from transmission mains, storage facilities, distribution mains or service connections).	CoJ's zonal water balance calculated using the Swift System. Excel calculation sheet.	Using sum of prior 12 months moving data (A), total system input volume (B), billed metered consumption(C), billed unmetered consumption (D), unbilled unmetered consumption (E), $(A - B - C)/A \times 100 =$ percentage NRW (F), $(A - B - C - D)/A \times 100\% =$ percentage water losses (G), $(28\% \times F)/A \times 100\% =$ percentage apparent losses (commercial losses) (H), $F - G =$ percentage real	No limitation	Cumulative.	Annually	No	Opex (Network and WDM budget) Capex (WDM)	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
					losses (physical losses) (I) D/A x 100% = percentage unbilled unmetered consumption (commercial losses) (J), G + I = percentage commercial losses.						
25.	Percentage actual water meter readings submitted to bill	Percentage of actual water meter readings submitted to bill	The KPI measures the number of actual meter readings submitted for billing, to ensure billing accuracy which will in effect result in increased revenue collection.	Meter Reading System Export	Number of actual water meter readings submitted to CoJ to bill / Number of water meters downloaded from the CoJ's billing system x 100% = percentage	Inability to submit a reading on some technical faults where a reading could be obtained and used (e.g., meter covered, meter inside the property)	Non-cumulative	Quarterly and annually	No	OPEX (Metering & Revenue) CAPEX (IT)	OCFO
26.	Percentage compliance with drinking water	Percentage of drinking water samples	Indicator is intended to show compliance with public safety	System-generated drinking water	(A) Number of tests complying	Strikes and	Cumulative	Quarterly and	No	Operations Support overheads	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
	quality standard on E. Coli (SANS 241)	complying with the SANS 241 E. Coli standard to the number of drinking water samples taken.	with drinking water that is piped to households	quality report on LIMS	(B) Number of tests (C) A/B x 100% = % compliance	service delivery protests. No access to sampling points		annually		, Quality Assurance, Laboratory Support, Scientific services cost centres	
27.	Number of additional households provided access to interim water services at minimum LoS 1 in informal Settlements.	An interim water service refers to the provision of water in informal settlements through the installation of communal/ yard standpipes.	Number of households provided access to interim water services	• Practical completion certificates • Handover Letter to Operations • Listing of the Households physically counted	Physical counting of the number of households provided access to interim water service	Some households may be removed/relocated after the counting of the household that have been provided with access to interim water service. However, if they were removed/relocated outside the project area and after the	Cumulative	Quarterly and annually	No	Capex – Projects	OCOO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
						physical counting, then they are recoded as having been provided with interim water service.					
28.	Number of additional households provided access to interim sanitation services at minimum LoS 1 in informal Settlements.	An interim sanitation service refers to the provision of sanitation in informal settlements through the installation of VIPs, ablution blocks, waterborne sewer system.	Service delivery providing the right to access sanitation in line with the Constitution.	• Practical completion certificates • Handover Letter to Operations • Listing of the Households physically counted	Physical counting of the number of households provided access to interim sanitation service	Some households may be removed/relocated after the counting of the household that have been provided with access to interim sanitation. However if they were removed/relocated outside the project area and after the physical	Cumulati ve.	Quarte rly and annuall y	No	CAPEX- Projects Opex – Contractor s General	OCOO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
						counting, then they are recoded as having been provided with interim sanitation service.					
29.	Renewal rate of water and sewer networks and WWTW based on value	Renewal rate of water and sewer networks and WWTW based on value	Measurement of renewal of the asset base to prevent failure and ensure efficient service delivery	Related expenditure extracted from SAP recorded on Excel spreadsheet for renewal rate calculation based on asset value	Percentage renewal rate = total cost of infra- structure renewal expenditure divided by (Total Asset replacement cost) x 100%	No limitation	Cumulati ve	Monthl y, quarter ly and annuall y	No	Capex- Projects	OCOO
30.	Percentage total B-BBEE procurement spent on qualifying SMMEs.	The definition of the formula is to calculate the B- BBEE procurement spend percentage for qualifying SMMEs (i.e. EMEs and QSEs) in the said category. It is the B-BBEE procurement spend value	The purpose is to determine the B- BBEE procurement spend percentage within this SMME group and an achievement of at least 125%. It also indicates that most of the SMME suppliers used by the entity are Level 2, which equates to	Reports drawn from SAP and downloaded onto Excel spreadsheet.	$A = B/C \times 100\%$ (A) = The percentage total of B-BBEE procurement spend on qualifying SMMEs (B) = Sum total of individual SMMEs procurement spend for the reporting period multiplied by the	If ERP (SAP) has a down- time, information cannot be extracted from SAP	Cumulati ve	Monthl y, quarter ly and annuall y	No	opex, - R&M Budget	OCFO

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
		recognised for qualifying SMMEs, which comprises the total measured procurement spend for each supplier in this category with a valid B-BBEE scorecard/ certificate or affidavit divided by the overall value of goods and services procured within the relevant financial year, comprising operational and capital expenditure. EMEs are all exempted micro enterprises with a turnover of less than R10 million and QSEs are qualifying small enterprises with a turnover of	125% B-BBEE recognition.		applicable B-BBEE recognition level per qualifying SMME (C) = Total procurement spends for all qualifying SMMEs for the reporting period. Total B-BBEE procurement spend.						

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
		between R10 and R50 million.									
31.	Audit opinion issued by AGSA.	The financial statements are free from material misstatements (in other words, a financially unqualified audit opinion) and there are no material findings on reporting on performance objectives or non-compliance with legislation.	The indicator is indicative of the organisation's financial governance in terms of audit standards.	AGSA Audit Report.	An audit opinion is issued by the AGSA by means of a final audit report.	There are no data limitations.	Non-cumulative	Annually.	No	N/A	OCFO
32.	Percentage of female employees	.	The indicator is indicating the total number of female employees as a total number of staff complement in percentage	SAP HRIM system reports	Number of female employees/ total staff complement x 100%	None	Cumulative	Quarterly and annually	No	Salaries Budget	EM: HR and CS
33.	Disabling injury frequency rate	Disabling injury frequency rate intends to calculate the rate at which	Data comes from the work-related injuries (injury on duty) and the	Excel spreadsheet.	DIFR = number of disabling injuries x 200 000/	None	Cumulative	Quarterly and annually	No	N/A - the KPI does not require a	Manager: Occupational Health and Safety,

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
		employees are injured while executing their duties. The target is ≤ 1.5	Company's man hours		Total man-hours worked					budget provision.	Environment & Disaster Management
34.	Percentage Institutionalisation of LG-FIDPM	Institutionalization means that the Department or Entity has embedded LG-FIDPM requirements not merely as a paper exercise, but into its "people, process and appraisal" related activities and operational use i.e.: ▪ People: Identification of Champions, Superusers, and Structures. ▪ Process: Documented Standard Operating Procedures	The purpose of this KPA is to drive measurable adoption and institutionalization of the LG-FIDPM in specific Departments and Entities with large CAPEX programmes and projects, thereby improving standardization, controls, and evidence-based reporting.	Quarterly LG-FIDPM evidence pack containing the following, at minimum: ▪ Governance arrangements: - Appointment or nomination records for Gate Review Team members, Infrastructure Champions, and System Superusers. - Proof of training completed (attendance registers, onboarding confirmations). ▪ Process Development	Q1: 25%, Baseline Establishment Completed: - Governance/SOP alignment initiated. - GRT, Champions, and Superusers identified. ▪ Q2: 50%, Training Completed: - Training conducted - Piloting initiated, with initial stage/gate usage demonstrated. ▪ Q3: 75%, Monitoring &	None	Cumulative	Quarterly and annually	No	N/A - the KPI does not require a budget provision.	OCOO

KPI No	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculation type	Reporting cycle	New indicator	Source of budget	Indicator responsibility
		(SOPs) and use of stages, gates and gateway reviews. ▪ Appraisal: Use of standard templates, system deliverables, and governance artefacts that provide evidence for approvals and decision-making.		- Approved internal SOPs or Practice Notes aligned to CoJ guidelines - Evidence of Use (Process Compliance) ▪ Appraisal Documentation - Sample end-of-stage deliverables (Initiation/Feasibility/etc.). - Gateway review meeting minutes - Gateway review reports (with findings classification and closure evidence). - Procurement gate reports - Register/log of procurement gate approvals with required minimum fields ▪ Digital Systems Capability - User reports	Reporting Embedded: - JSIP reports / CAPEX reporting submitted - Regular (frequency to be determined) gateway evidence produced. ▪ Q4 / Annual: 90%, Institutionalization Verified: - Full scorecard evidence pack submitted. - Improvement actions incorporated and signed off.						

K PI N o	Key Performance indicator (KPI)/predictive outcome indicator	Short definition	Purpose or importance	Source or collection of data	Method of calculation	Data limitation	Calculati on type	Reporti ng cycle	New indica tor	Source of budget	Indicator responsib ility
				- System extracts depicting projects registered; stage deliverables uploaded - Query resolution reports - Etc.							

4.2.5 UISP Key Performance Indicators

Table 37 indicates the Upgrading Informal Settlements Programme (UISP) key performance indicators and targets.

Table 37: UISP Key Performance Indicators

	KPI No	Key Performance indicator (KPI)/ predictive outcome indicator	Baseline 2024/25	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Key interventions	2026/27 budget (per programme)		2026/27 quarterly targets				Means of verification
										Capex R'000	Opex R'000	Q1	Q2	Q3	Q4	
IDP programme	1.	Number of additional households provided access to interim water-services at minimum LoS 1 in informal Settlements.	174HH	2 000HH	2 200HH	2 400HH	2 600HH	2 800HH	Communal/ Yard Standpipes.	10 000	-	0HH	600HH	1 200HH	2 000HH	Contractor's practical completion certificate Handover Letter to Operations Listing of the Households physically counted.
	2.	Number of additional households provided access to interim sanitation services at minimum LoS 1 in informal Settlements.	1 796HH	3 050HH	3 450HH	3 700HH	4 000HH	4 400HH	VIP, pour flush and Ablution blocks.	-	80 500	0HH	1 500HH	2 500HH	3 050HH	Contractor's practical completion certificate Handover Letter to Operations Listing of the Households physically

	KPI No	Key Performance indicator (KPI)/ predictive outcome indicator	Baseline 2024/25	Target 2026/27	Target 2027/28	Target 2028/29	Target 2029/30	Target 2030/31	Key interventions	2026/27 budget (per programme)		2026/27 quarterly targets				Means of verification
										Capex R'000	Opex R'000	Q1	Q2	Q3	Q4	
																counted.

4.2.6 Circular 88 indicators scorecard

Table 38 indicates National Treasury's Circular 88 key performance indicators and targets.

Table 38: Circular 88 indicators (A&B)

A: 2026/27 Circular 88 Outcome Indicators

Circular 88 Outcomes	IDP Indicator No	IDP Performance Indicator (Outcomes)	National Treasury Ref No.	Baseline Annual Performance 2024/25	Target for (MTREF) (3 years)			Target for 2029/30
					Yr1 26/27	Yr2 27/28	Yr3 28/29	
WS1. Improved access to sanitation	43	Percentage of households with access to basic sanitation	WS1.1	95.32%	96.61%	97.11%	97.11%	97.11%
WS2. Improved access to water	44	Percentage of households with access to basic water supply	WS2.1	98.69%	99.07%	99.47%	99.47%	99.47%
WS.3 Improved quality of water and sanitation services	45	Frequency of sewer blockages per 100kms of pipeline	WS3.1	464.21	440	430	420	410
	46	Frequency of water mains failures per 100kms of pipelines	WS3.2	328	354	348	339	145
	47	Frequency of unplanned water service interruptions	WS3.3	63.5	45	32	23	16
WS4. Improved quality of water (incl. wastewater)	48	Percentage of drinking Water samples complying to SANS241	WS4.1	99.4%	99%	99%	99%	99%
	49	Percentage of wastewater samples compliant to the	WS4.2	77.8%	70%	67%	65%	70%

Circular 88 Outcomes	IDP Indicator No	IDP Performance Indicator (Outcomes)	National Treasury Ref No.	Baseline Annual Performance 2024/25	Target for (MTREF) (3 years)			Target for 2029/30
					Yr1 26/27	Yr2 27/28	Yr3 28/29	
		water use license conditions						
	50	Green drop score	WS4.4	New	60	N/A	85%	N/A
	51	Blue drop score	WS4.5	New	98%	See note 1	98%	See Note 1
WS5. Improved water sustainability	52	Percentage of non-revenue water	WS5.1	44.8%	42.85%	41.40%	39.11%	29.54%
	53	Total water losses	WS5.2	207 136 MI	200 293 MI	195 293 MI	188 036 MI	173 495 MI
	54	Total per capita consumption of water	WS5.3	244.69l/c/d	237.44l/c/d	229.88 l/c/d	220.68 l/c/d	200.00 l/c/d
	55	Percentage water reused	WS5.4	9.41%	3%	5%	10%	10%
	56	Water security input volume as a percentage of raw water allocation	WS5.5	New	N/A	N/A	N/A	N/A

B: 2025/26 Circular 88 Output indicators

No	National Treasury Proposed Indicators	Ref No	2024/25 Baselin e	2026/27 Targets	Quarterly Targets				Total Budget R 000		Quarterly budget R 000			
					Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4
56	Number of new sewer connections meeting minimum standards	WS1.11	86	150	38	76	114	150	0	336,702	50,000	100,500	190,880	336,702
57	Number of new water connection meeting minimum standards	WS2.11	515	1 122	280	560	840	1 122	0	388,099	80,000	160,000	240,000	388,099
58	Percentage of callout responded to within 48 hours (sanitation/wastewater)	WS3.11	90.89%	95%	95%	95%	95%	95%	0	336,318	79,400	158,800	238,200	336,318
59	Percentage of callout responded to within 48 hours (water)	WS3.21	70.35%	90%	90%	90%	90%	90%	0	281,375	119,100	138,250	257,350	281,375
60	Percentage of water treatment capacity unused	WS4.11	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
61	Percentage of industries with trade effluent inspected for compliance	WS4.21	100%	95%	95%	95%	95%	95%	246,587 3	728,000	243,467	487,294	730,940	974,587
62	Percentage of wastewater treatment capacity unused	WS4.31	18.37%	5.6%	5.6%	5.6%	5.6%	5.6%	1,960,12 5	682,311	550,000	675,500	678,000	837,125
63	Infrastructure leakage index	WS5.21	10.1	8.61	8.31	8.41	8.51	8.61	270,000	180,000	90,500	137,000	209,500	450,000
64	Percentage of all water connections metered and billed on actual monthly readings	WS5.31	78%	85%	78%	80%	83%	85%	0	336,702	50,000	100,500	190,880	336,702

C: 2025/26 Circular 88 Compliance indicators

No	National Treasury Proposed Indicators	Ref No	2025/26 Baseline	Owner
C60	Total number of sewer connections	C60 (WS)	158,710,115	OCOO
C62	Total number of Ventilation Improved Pit Toilets (VIPs)	C62 (WS)	644,324	OCOO

4.2.7 C88 definition

Table 39 indicates the C88 definition, Source of data collection, method of calculation and data limitations.

Table 39: C88 definitions

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
1.	Percentage of households with access to basic sanitation	Percentage of households accessing ("using") a toilet facility that meets minimum standards for basic sanitation out of all households within the municipality. Minimum standards are currently defined as either a flush toilet (sewerage system) and/or flush toilet (septic tank), and/or a pit toilet connected to ventilation (VIP).	- Completion certificates - Handover Letter to Operations - Listing of the Households physically counted	(((1) Number of households using a flush toilet (connected to sewerage system) + (2) Number of households using a flush toilet (with septic tank) + (3) Number of households using pit toilets with ventilation (VIP)) / (4) Total number of households in the municipality) x 100.	Some households may be removed/relocated after the counting of the household that have been provided with access to basic water. However, if they were removed/relocated outside the project area and after the physical counting, then they are recoded as having been provided with basic service.	- Capex- Projects- CC/GL JSIP Number - Opex – Contractors General -VIP	COO
2.	Number of new sewer connections meeting minimum standards	The total number of new sewer connections (defined as connections to a flush toilet connected to the sewerage system or a septic tank or a VIP toilet) made by the municipality. This is inclusive of new sewer connections to communal facilities that meet basic sanitation standards.	System-generated RRR Report, IMQS infra-structure lengths and Excel calculation sheet.	The (1) number of new sewer connections to consumer units + (2) the number of new sewer connections to communal toilet facilities. Basic sanitation (meeting minimum requirements) includes sewer connections to either of the following: (1) Flush toilet (sewerage system)	None	Salaries and allowances for labour. R&M line items for repairs/spares plus Contractors: Vacuum tankers for jetting (clearing blockage)	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
				or (2) Flush toilet (septic tank) or a (3) pit latrine with ventilation pipe. Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year.			
3.	Percentage of households with access to basic water supply	Percentage of households with access to basic water supply, defined as the household's main source of drinking water is piped (tap) water inside dwelling/house, piped (tap) water inside yard, and/or piped water to a community stand: <200 m.	• Completion certificates • Handover Letter to Operations • Listing of the Households physically counted	((1) Number of households with the main source of drinking water (1) piped (tap) water inside dwelling/institution + (2) Number of households with the main source of drinking water piped (tap) water inside yard + (3) Number of households with the main source of drinking water piped (tap) water on community stand: distance less than 200m from dwelling/institution / (4) Total number of households in the municipality) x 100	Some households may be removed/relocated after the counting of the household that have been provided with access to basic water. However, if they were removed/relocated outside the project area and after the physical counting, then they are recoded as having been provided with basic service.	• Capex-Projects-CC/GL JSIP Number	COO
4.	Number of new water Connections meeting minimum standards	Total number of new water connections meeting minimum standards (supply of water is Piped (tap) water inside dwelling/institution, piped (tap) water inside yard, and/or Community stand: <200 m) made by the municipality. This is inclusive of new water connections to	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	The (1) number of new water connections to piped (tap) water + (2) number of new water connections to public/communal taps. 2 Acceptable water meeting minimum standards includes access to either of the	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
		communal facilities that meet minimum standards.		following: (1) Piped (tap) water inside dwelling/institution, (2) Piped (tap) water inside yard, and/or (3) Community stand: <200 m. Cumulative indicator, i.e. the reported figure in a given quarter should be a year-to-date figure for the financial year.			
5.	Frequency of sewer blockages per 100 KMs of pipeline	Number of blockages in sewers per 100km of sewer length per year. Blockages are defined as reported or logged blockages that result in an obstruction of system flow which may be caused by roots, obstructive items or other pipeline disruption.	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	A) Number of work orders received on sewer main blockages (B) Total length of sewer mains/100 (C) A/B = number of blockages per 100 km (monthly)	No limitation	- Salaries and allowances for labour. R&M line items for repairs/spares plus contractors: Vacuum tankers for jetting (clearing blockage) - Hydro jetting	COO
6.	Percentage of callouts responded to within 48 hours (sanitation/wastewater)	Percentage callouts (inclusive of outages logged with the municipality and complaints related to outages) responded to within 48 hours (sanitation/wastewater). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged,	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	((1) Number of callouts (outages logged on the municipal system) responded to within 48 hours (sanitation/wastewater) / (2) Total wastewater/sanitation callouts received) x 100%	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
		appraised and responded to within 48 hours of notification.					
7.	Frequency of water mains failures	Number of water mains failures per 100km of mains pipe per year. "Mains" refers to all transmission and distribution pipes for water, the ownership of which is vested in the municipality for the purpose of conveying water to consumers.	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	(A) Number of works orders received R&M mains + number of work orders received R&M valves and hydrants (B) Total length of water mains/100 C) A/B = number of bursts per 100 km (monthly)	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares plus Contractors	COO
8.	Percentage of callouts responded to within 48 hours (water).	Percentage callouts (outages inclusive of complaints logged over outages) responded to within 48 hours (water). Responded to means that someone is on site and has initiated a process of resolving the matter within 48 hours. This does not mean the callout was resolved, only that the matter was logged, appraised and responded to within 48 hours of notification.	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	((1) Number of callouts responded to within 48 hours (water) / (2) Total water service callouts received) x 100%	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares	COO
9	Frequency of unplanned water service interruption	Number of interruptions averaged per 1000 service connections per year. Interruptions are understood as occurring at the source and do not include the number of consumer units affected by an interruption.	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	(1) Number of unplanned water service interruptions / [(2) Total number of water service connections/1000]	No limitation	Salaries and allowances for labour. R&M line items for repairs/spares	COO
10	Percentage of drinking water samples complying to SANS 241	The percentage of water samples measured that comply with the SANS 241 requirements over a 12-month period for the defined	System-generated drinking water quality report on LIMS	((1) Number of water sample tests that complied with SANS 241 requirements / (2) Total	Strikes and service delivery protests. No access to sampling points	Salaries for Scientific services	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
		parameters. See the SANS 241 requirements for a detailed breakdown of the various tests involved and the associated standard limits for application.		number of water sample tests undertaken)			
11.	Percentage of water treatment capacity unused	N/A	N/A	N/A	N/A	N/A	N/A
12.	Percentage of wastewater samples compliant to water use license conditions	Percentage of Wastewater Quality Compliance to specified licence/permit/authorisation requirements tested during the municipal financial year. The percentage is calculated on the basis of aggregated results per Water Use License determinant.	The information comes from a system-generated effluent quality LIMS reports and Excel calculation sheets. It is collected through sampling, analysis and reporting of results for effluent samples	(Total number of daily samples per works per indicator per month complying with the limit in the water use licence) / (total number of daily samples per works per indicator per month) x 100% = percentage monthly compliance per works per indicator in the water use licence	Strikes and service delivery protests. No access to sampling points.	Total Opex for bulk wastewater	COO
13.	Percentage of industries with trade effluent inspected for compliance	Number of industries with trade effluent that are inspected during the assessment period as a percentage of the total number of registered industries with trade effluent, at the end of the municipal financial year. Inspections are only counted once per registered industry organisation, regardless of	Excel calculation sheet.	(1) System input volume – Exported [(2) raw + (3) treated] water in m³ x 1000) / (365 x (4) Municipal population)	No limitation	Salaries for Inspectors	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
		whether multiple inspections follow from the original visit.					
14.	Percentage of wastewater treatment capacity unused	The percentage of wastewater treatment capacity unused. Sewer treatment capacity refers to the maximum amount of sewage that a facility is allowed to treat or to direct to a particular reuse or effluent disposal system. This refers to the collective available design capacity of all facilities servicing the municipal area. 'Available design capacity' refers to the overall design capacity that is available on a daily basis. If part of the treatment facility requires refurbishment or is not in operation this should be excluded from 'available design capacity'.	Excel calculation sheet.	$[1 - ((1) \text{ Total volume of wastewater treated over the last year} / ((2) \text{ Daily wastewater treatment plant available design capacity} \times 365))]$	Strikes and service delivery protests. No access to sampling points.	Total Opex for bulk wastewater	COO
15.	Percentage of NRW	NRW is a performance indicator included as a part of the No Drop Certification Program to measure the percentage of the treated volume of water supplied to a distribution system that does not generate revenue. NRW includes: Real Losses: Physical water losses (leaks, bursts, overflows). Apparent Losses: Unauthorized consumption, customer metering inaccuracies. Unbilled Authorized Consumption: Unbilled	CoJ's zonal water balance calculated using the Swift System.	NRW % = $((\text{System Input Volume} - \text{Billed Authorized Consumption}) / \text{System Input Volume}) \times 100$ Where: System Input Volume = Total treated water supplied to the distribution network from the utilities own sources. Billed Authorized Consumption = Authorized volume of water billed to customers (this includes billed	No limitation	- Opex (Network and WDM budget) - Capex (WDM)	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
		metered consumption and unbilled unmetered consumption (Water used for firefighting, municipal services, informal settlements).		metered and billed unmetered volumes and the Free Basic Water volume).			
16.	Green drop score	The latest available Green Drop assessment results. Based on DWS audit of entire value chain of municipal WW services.	Operational metrics. Technical skills Documentation Sampling and analysis results. Technical interviews and site inspections	Audited Report on five KPA's defined by the Regulator, including bonus points and penalties	No limitation	Salaries for Scientific services	COO
17.	Blue drop score	The latest available Blue Drop assessment results. Based on DWS audit of water supply system incl physical inspections.	The required portfolio of evidence (PoE) for the audit, i.e., Documentation on sampling and analysis results. Technical interviews and site inspections	Audit Scorecard to consider evidence against 5 Key Performance Areas (KPAs): 1.Capacity Management 2.Drinking Water Quality Risk Management 3.Financial Management 4.Technical Management 5.Drinking Water Quality Compliance.	No limitation	Salaries for Scientific services	COO
18.	Total water losses	Total (apparent and real) losses, expressed in terms of annual volume lost per service connection per day.	Excel calculation sheet.	((1) System input volume- (2) Authorised consumption volume) in m ³ x 1000) / (365 x (3)	No limitation	Opex (Network and WDM budget) Capex (WDM)	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
				Number of service connections]]			
19.	Infrastructure leakage index	The infrastructure leakage index is derived from the structural and operational characteristics of the entire water infrastructure network. It is measured in terms of the real water loss from the supply network of physical distribution systems.	Excel calculation sheet.	(1) Current annual real water losses in the network / (2) Unavoidable annual real water losses	No limitation	- Opex (Network and WDM budget) - Capex (WDM)	COO
20.	Total per capita consumption of water	The total system input volume minus the total exported (raw and treated) water per population per day of the assessment period.	Bulk system input volumes Excel sheet based on Rand Water and cross-boundary invoices and Excel calculation sheet. Population based on Census 2011 including growth.	(A) System input volume in the period under review, (B) population as per Census 2011 with 3, 5% growth per year and (C) the number of days of the period under review. (D) Household water consumption per capita per day = A/B/C	No limitation	- CAPEX (WDM) - OPEX (Networks and WDM budget)	COO
21.	Water connections metered as a percentage of total connections	The percentage of water connections metered and billed monthly on actual monthly readings. This indicator evaluates the financial sustainability and water use efficiency of municipalities by tracking	Excel calculation sheet.	Percentage = (Number of connections metered and billed on actual readings monthly / Total number of connections (metered + unmetered)) × 100.	No limitation	Same budget as KPI 2 above	COO

KPI	Indicator title	Short definition	Source or collection of data	Method of calculation	Data limitation	Budget Source Description	Indicator responsibility
		accurate metering, and billing practices					
22.	Percentage of water reused	The total volume of water recycled and reused as a percentage of the system input volume. System input should include water abstracted and all imported water (raw and treated). Water that has been 'recycled and reused' refers to water reclaimed from discharge sources that is then treated and reused for beneficial purposes, including but not limited to: agriculture and irrigation, portable water supplies, groundwater replenishment, industrial processes and environmental restoration. For the purpose of this indicator, it measures only municipal wastewater treated for direct use, inclusive of irrigation purposes.	Excel calculation sheet.	$\text{VRR} = \frac{[(1) \text{ Volume of water recycled and reused} + (2) \text{ Direct use of treated municipal wastewater (not including irrigation)} + (3) \text{ Direct use of treated municipal wastewater for irrigation purposes}]}{(4) \text{ System input volume}} \times 100$	No limitation	Opex (Bulk wastewater WDM budget)	COO

4.2.8 Service Standards Charter

Table 40 depicts the service standards indicators and targets; in addition, a management tool target is included for internal purposes. For the purpose of the shareholder Compact and contracting, the standard target shall be applicable.

Table 40: Service standards

No	Key performance indicator	Baseline 2024/25	Standard Target 2026/27	Standard quarterly performance targets				2026/27 budget per projects R 000					
				Q1	Q2	Q3	Q4	Total budget	Quarterly budget target capex and opex				
								Capex	Opex	Q1	Q2	Q3	Q4
1.	Percentage of planned water supply interruptions concluded within prescribed timeline of notification.	85.19%	85%	85%	85%	85%	85%	-	Included in no 2 below	Included in no 2 below	Included in no 2 below	Included in no 2 below	Included in no 2 below
2.	Percentage of fire hydrants repaired within 48 hours of notification	71.06%	80%	80%	80%	80%	80%	-	476,500	119,100	238,250	357,350	476,500
3.	Percentage of stolen meters replaced within 24 hours of notification	90.7%	90%	90%	90%	90%	90%		Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
4	Percentage of defective meters repaired within 3	76.25%	80%	80%	80%	80%	80%		Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above

No	Key performance indicator	Baseline 2024/25	Standard Target 2026/27	Standard quarterly performance targets				2026/27 budget per projects R 000					
				Q1	Q2	Q3	Q4	Total budget	Quarterly budget target capex and opex				
									Capex	Opex	Q1	Q2	Q3
	days of notification												
5.	Percentage of leaking valves repaired within 48 hours of notification	62.08%	92%	92%	92%	92%	92%	-	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
6	Percentage of missing manhole covers replaced within 24 hours of notification	92.76%	95%	95%	95%	95%	95%	-	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above	Included in no 2 above
7	Percentage repair of water pipe burst within 48 hours of notification	70.35%	85%	85%	85%	85%	85%	-	281,375	119,100	138,250	257,350	281,375
8	Percentage sewer blockages cleared within 48 hours of notification	90.89%	92%	92%	92%	92%	92%	-	336,318	79,400	158,800	238,200	336,318
9	Percentage of new water connections completed within 15 days of receiving request from customer	65.27%	70%	70%	70%	70%	70%	-	388,099	80,000	160,000	240,000	388,099
10	Percentage actual water	90.29%	88%	88%	88%	88%	88%	77,600	54,000	25,800	64,500	90,300	131,600

No	Key performance indicator	Baseline 2024/25	Standard Target 2026/27	Standard quarterly performance targets				2026/27 budget per projects R 000					
				Q1	Q2	Q3	Q4	Total budget	Quarterly budget target capex and opex				
									Capex	Opex	Q1	Q2	Q3
	meter readings submitted to bill												
11.	Percentage of planned service interruption communiqués sent within seven days.	91.75%	95%	95%	95%	95%	95%	N/A	N/A	-	-	-	-
12	Percentage unplanned interruption communiqués sent immediately	95%	95%	95%	95%	95%	95%	N/A	N/A	-	-	-	-

Note 3: Not Applicable, part of the day-to-day running of the entity and it's a shared budget

Table 41: Service Standard definitions

KPI	Key performance indicator	Short definition	Source or collection of data	Method of calculation	Calculation type	Data limitation	Indicator responsibility
1.	Percentage of planned water supply interruptions concluded within prescribed timeline of notification.	Percentage of planned water supply interruptions concluded within prescribed timeline of notification.	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	The number of planned shutdowns completed divided by the number of completed shutdowns completed within planned timelines	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
2.	Percentage of fire hydrants repaired within 48 hours of notification	Percentage of fire hydrants repaired within 48 hours of notification	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	The difference between the completion date and date created compared x 100%.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
3.	Percentage of stolen meters replaced within 24 hours of notification	Percentage of stolen meters replaced within 24 hours of notification	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	The difference between the completion date and date created compared x 100%.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
4.	Percentage of defective meters repaired within 3 days of notification	Percentage of defective meters repaired within 3 days of notification	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	The difference between the completion date and date created compared x 100%.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
5.	Percentage of leaking valves repaired within 48 hours of notification	Percentage of leaking valves repaired within 48 hours of notification	System generated regional response time report	The difference between the completion date and date created compared x 100%.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO

KPI	Key performance indicator	Short definition	Source or collection of data	Method of calculation	Calculation type	Data limitation	Indicator responsibility
6.	Percentage of missing manhole covers replaced within 24 hours of notification	Percentage of missing manhole covers replaced within 24 hours of notification	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	The difference between the completion date and date created compared x 100%.	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
7.	Percentage repair of water pipe burst within 48 hours of notification	The percentage of water bursts repaired within 48 hours to the number of water bursts reported as one of the service delivery functions	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	(A) Number of work orders completed (major and minor bursts) in time (B) Number of work orders received (major and minor bursts) $A/B \times 100\% = \text{percentage response time (monthly)}$	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
8.	Percentage sewer blockages cleared within 48 hours of notification	The percentage of sewer blockages cleared within 48 hours to the number of sewer blockages reported as one of the service delivery functions linked to customer satisfaction	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	Number of work orders completed (sewer main blockages) on time. (B) Number of work orders received (sewer main blockages) $A/B \times 100\% = \text{percentage response time (monthly)}$	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
9.	Percentage of new water connections completed within 15 days of receiving request from customer	Percentage of new water connections completed within 15 days of receiving request from customer	System-generated RRR Report, IMQS infrastructure lengths and Excel calculation sheet	Number of work orders completed (water connections) on time (B) Number of work orders received (water connections) $A/B \times 100\% = \text{percentage response time (monthly)}$	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	COO
10.	Percentage actual water meter readings submitted to bill	Percentage of actual water meter readings submitted to bill	Meter Reading System Export	Nonactual read ratio is calculated as a percentage of the total number of installations calculated over the Percentage calculated as the total number of installations x 100% Monthly reports	Cumulative (Additional, Actual Quarter for use as management tool)	Inability to submit a reading on some technical faults where a reading could be obtained and used (e.g. meter covered, meter inside the property)	CFO

KPI	Key performance indicator	Short definition	Source or collection of data	Method of calculation	Calculation type	Data limitation	Indicator responsibility
11.	Percentage of planned service interruption communiqués sent within seven days.	Percentage of planned service interruption communiqués sent within seven days.	Communication and Marketing teams utilise Emails, WhatsApp, Facebook and	Number of planned service interruptions communicated within seven days divide by the total number of interruptions x 100%	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	SRC
12.	Percentage unplanned interruption communiqués sent immediately	Percentage unplanned interruption communiqués sent immediately	Twitter to communicate planned & unplanned interruptions to all stakeholders	Number of unplanned service interruptions communicated divide by the total number of unplanned interruptions x 100%	Cumulative (Additional, Actual Quarter for use as management tool)	No limitation	SRC
13.	Ratio of households per chemical toilet	Ratio of households per chemical toilet	System generated regional response-time report	Calculations are based on the number of households in the settlements provided with sanitation services through chemical toilets divided by the number of chemical toilets on the ground at the end of each month.	Cumulative		COO

4.2.9 Institutional Key Performance Indicators and Targets

Table 42 depicts the 2026/27 Institutional Key Performance Indicators and targets; these are compulsory key Performance Indicators and Targets set by the CoJ to monitor specific dimensions relating to all entities and departments.

Table 42: Institutional Indicators and Targets

KPI NO	Key Performance Indicator	Baseline 2024/25	2026/27 Target	Quarterly Performance targets				2026/27 Budget per Projects R'000					
								Total Budget		Quarterly Budget target			
				Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4
1.	Percentage spent on operating budget against approved operating budget	98.8%	95%	25%	50%	75%	95%	-	20,988,359	5,247,090	10,494,180	15,741,269	19,938,941
2.	Percentage spent on capital budget against approved capital budget	101.64%	95%	10%	35%	65%	95%	1,960,125	-	196,013	686,044	1,274,081	1,960,125
3.	Percentage spent on repairs and maintenance to property, plant and equipment.	11.3%	8%	0%	4%	6.4%	8%	0	1,662,210	0	831,105	1,246,658	1,662,210
4.	Percentage reduction in unauthorized, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	54.4%	50%	40%	30%	20%	10%	N/A	N/A	-	-	-	-

KPI NO	Key Performance Indicator	Baseline 2024/25	2026/27 Target	Quarterly Performance targets				2026/27 Budget per Projects R'000					
								Total Budget		Quarterly Budget target			
				Q1	Q2	Q3	Q4	Capex	Opex	Q1	Q2	Q3	Q4
5.	Percentage of valid invoices paid within 30 days of statement	47.6%	100%	100%	100%	100%	100 %	N/A	N/A	-	-	-	-
6.	Percentage resolution of Internal Audit findings	66%	95%	10%	30%	70%	95%	N/A	N/A	-	-	-	-
7.	Percentage resolution of AG findings	67%	95%	10%	30%	70%	95%	N/A	N/A	-	-	-	-
8.	Percentage implementation of the strategic risk management action plan	59%	85%	85%	85%	85%	85%	N/A	N/A	-	-	-	-
9.	Percentage achievement of service standards*	15.4%	85%	85%	85%	85%	85%	N/A	N/A	-	-	-	-

Institutional Indicators definition

Table 43 indicates Institutional Indicator definition, Source of data collection, method of calculation and data limitations.

Table 43 Institutional Indicators definition

KPI No.	KPI	Short Definition	Source / Collection of Data	Method Of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
1	Percentage operating budget spent against approved budget	Operational costs spent by the organisation against the allocated budget. The objective is to improve, stabilise and sustain a positive financial position	Expenditure reports drawn from SAP system	Actual costs /Allocated budget x 100%	None	Cumulative	Monthly	No	95%
2	Percentage capital budget spent against approved capital budget	The Capex spent on projects against the approved budget. The objective is to improve, stabilise and sustain a positive financial position	Expenditure reports drawn from SAP system	Total Capex spend divide by the budget Capex spend x100%	None identified	Cumulative	Monthly	No	95 %
3	Percentage of spent on repairs and maintenance to property, plant and equipment.	It measures the level of Repairs & Maintenance to prevent breakdowns and interruptions to service delivery.	Expenditure reports drawn from SAP system	Total Repairs and Maintenance Expenditure/ Property, Plant and Equipment and Investment Property (Carrying value) x	None identified	Cumulative	Monthly	Yes	8%

KPI No.	KPI	Short Definition	Source / Collection of Data	Method Of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
				100%					
4	Percentage reduction in unauthorised, irregular, fruitless and wasteful (UIFW) expenditure incurred citywide	Percentage reduction on UIFWE compared to the previous FY AG finding.	Expenditure reports drawn from SAP system	The UIFW Expenditure closing balance of the current FY against (will be compared with) the closing balance of the previous FY.	None	Non-Cumulative	Quarterly/ Annually	No	50%
5	Percentage of valid invoices paid within 30 days of invoice date	It measures the percentage of valid invoices paid within 30 days. The objective is to increase the number paid within 30 days	Expenditure reports drawn from SAP system	Total number of invoices processed for the month/Number of invoices paid within 30 days x100%	None identified	Non-cumulative	Monthly	No	100%
6	Percentage resolution of Internal Audit findings	It measures the number of audit findings resolved against the total number of audit findings issued by the internal audit	Internal Audit Reports	Total number of internal audit findings resolved/ total number of internal audit findings (excluding findings that are less than 60 days) x100%	None identified	Cumulative	Annually	Yes	95%
7	Percentage	It measures the	Internal Audit Reports	Total number of	None	Cumulative	Annually	Yes	95%

KPI No.	KPI	Short Definition	Source / Collection of Data	Method Of Calculation	Data Limitation	Calculation Type	Reporting Cycle	New Indicator	Desired Performance
	resolution of AG findings	number of audit findings resolved against the total number of audit findings issued by the AGSA		Auditor General findings resolved/total number of Auditor General findings (excluding findings that are less than 60 days) x 100%	identified				
8	Percentage implementation of the strategic risk management action plan	The percentage of strategic risk action plans implemented compared to total number of strategic risk action plans.	Governance Report; Strategic Risk Plan; Strategic Risk Register and Audit Report	Number of implemented strategic risk action plans divided by total number of strategic risk action plans multiplied by 100%	None identified	Cumulative	Monthly	Yes	85%
9	Percentage achievement of Service Level Standards (SLS)	The percentage of Service Level Standards achieved of the total approved number of Service Level Standards	System generated regional response time report	The number of KPIs achieved in the Service Level Standards Agreement against total no of Service Level Standards achieved multiply by 100%	None identified	Non-cumulative	Monthly	No	85%

CHAPTER 5:

FINANCIAL IMPACT

FINANCIAL IMPACT

5.1 Economic Outlook

South Africa's growth underperformed during the past decade with increasing unemployment and rising national debt. This has placed additional strain on Johannesburg Water by way of limited funding, declining payment levels, and the increased provision of services in marginalised areas where there is an ever-increasing demand for additional water and sanitation services. The provision of these services is expected to continue. To improve its resilience and recover from the effects of the COVID-19 crisis in a more sustainable way, Johannesburg Water is committed to exploring alternative infrastructure funding models, allocating limited resources effectively, and maximising the collection of billed revenue. The economy is expected to grow in the medium-term, and a consumer price index (CPI) between 3.3% and 3.6% has been estimated for the 2026/27 FY. Collections levels are budgeted at 74.38% for the 2026/27 FY and across the years in the medium-term budget.

Based on the strategic shift underpinning the turnaround strategy, Johannesburg Water envisages assuming full accountability for the end-to-end customer and revenue value chain. This transition will enable the entity to strengthen revenue assurance, enhance billing accuracy, improve collection efficiency, and ensure greater alignment between service delivery and revenue generation. By consolidating control over the entire value chain—from metering and billing to credit control and customer engagement—Johannesburg Water will be better positioned to improve financial sustainability, enhance customer experience, and drive operational accountability across all revenue streams. The completion of assuming the full responsibility of managing the full revenue value chain will result in an increase in cash collection of 80% in the 2027/28 FY, 82% in the 2028/29 FY, 84% in the 2029/30 FY and 85% in the 2030/31 FY.

5.2 Financial indicators

Table 44: Summarised Income

	Audited Outcome 2024/25 (R'000)	Original Budget 2025/26 (R'000)	Adjusted Budget 2025/26 (R'000)	Budget 2026/27 (R'000)	Budget 2027/28 (R'000)	Budget 2028/29 (R'000)
Revenue	18,270,711	20,012,923	20,012,923	21,519,903	22,940,218	24,454,271
Bulk purchases	-8,640,118	-9,796,611	-9,796,611	-10,441,962	-11,131,132	-11 865,787
Gross margin	9,630,594	10,216,312	10,216,312	11,077,941	11,809,086	12,588,484
Other income	1,218,499	1,618,532	1,967,501	1,797,199	2,535,082	2,311,112
Operating expenditure	-4,304,435	-4,729,845	-4,671,275	-5,033,398	-5,231,575	-5,433,237
Bad debt Provision	-4 935,191	-5,034,425	-5,129,810	-5,512,999	-5,827,718	-6,011,415
Interest Expense	-276,211	-357,111	-357,111	-386,552	-499,383	-593,697
Interest Income	489,200	318,750	419,250	329,838	340,703	351,930
Net profit / (Loss)	1,822,456	2,032,213	2,444,867	2,272,029	3,126,195	3,212,828

Revenue is budgeted to increase to R21.520 billion in the 2026/27 FY as per Figure 11, which is an increase of 7.53% on the adjusted budget of R20.013 billion in 2025/26.

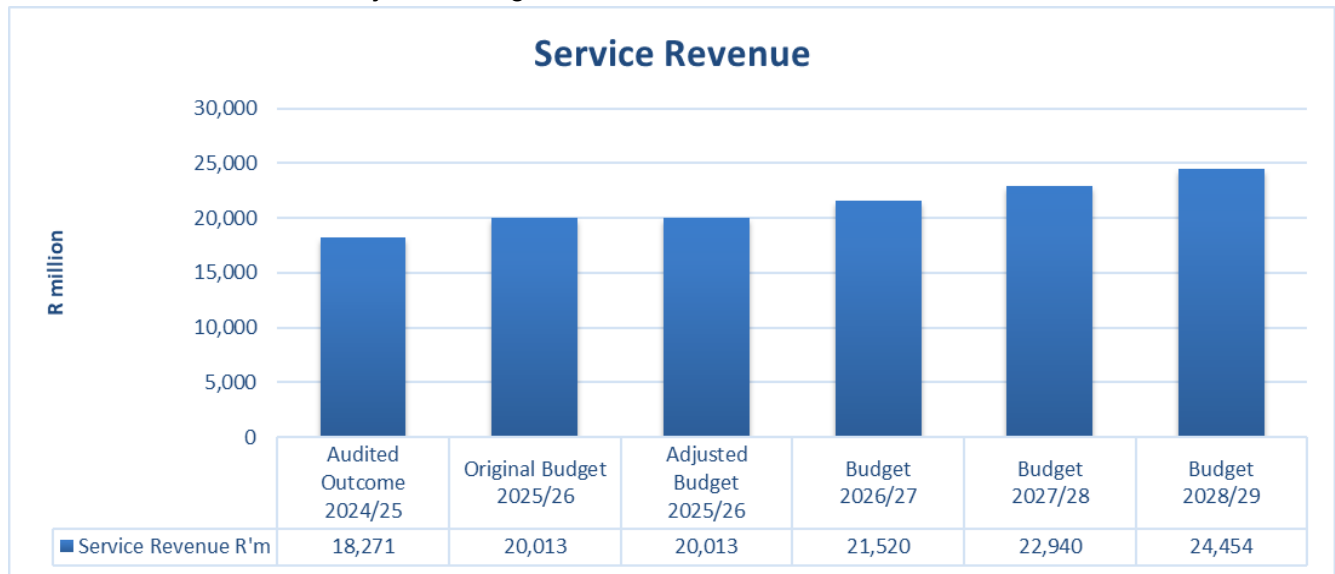


Figure 11: Revenue trends

Johannesburg Water has proposed a tariff increase of 12.5%. The increase is both above the inflation rate and above the inflation target set by the South African Reserve Bank and may have a negative impact on consumer payment levels. However, the increase does not adequately cover funding of the capital expenditure required to replace infrastructure that is reaching the end of its useful life over the next few years. Therefore, additional loans will be required to fund a portion of the capital expenditure and the company continues to explore other alternative funding.

5.2.1 Bulk Water purchases

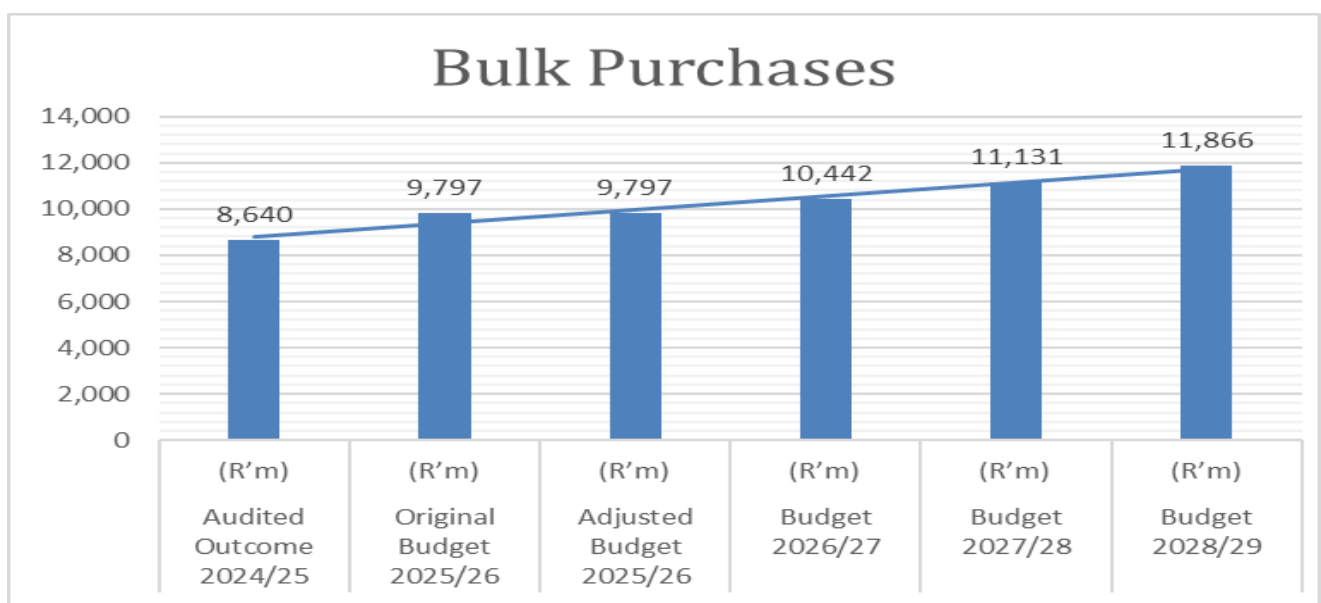


Figure 12: Bulk Purchases

Bulk purchases consist of the purchase of potable water from Rand Water. The price is determined by a combination of a government pricing strategy, which is determined by operating costs and loan repayments for capital infrastructure for raw water, as well as the costs incurred by Rand Water for the treatment of water. The bulk water volume purchases budget has been based on current consumption patterns adjusted by the proposed tariff increase of 11% by Rand Water. Notwithstanding this increase, the overall budgeted growth reflects a more moderate trajectory due to demand-side management interventions. Bulk Purchases are budgeted to increase to R10.442 billion in the 2026/27 FY as per Figure 12, which is an increase of 6.6% on the adjustment budget of R9.797 billion in 2025/26.

The lower effective increase of 6.6% (relative to the tariff escalation) is primarily attributable to the impact of ongoing Water Demand Management (WDM) initiatives and Non-Revenue Water (NRW) reduction strategies. These interventions are expected to curb overall water demand, with Average Annual Daily Demand (AADD) projected to decrease to 1,701 ML per day in 2026/27. This reflects a deliberate strategic shift towards balancing cost containment with sustainable water resource management, while mitigating the financial impact of rising bulk water tariffs.

5.2.2 Profitability

The net profit budget of the Company is budgeted at R2.272 billion in the 2025/26 FY as shown in Figure 13.

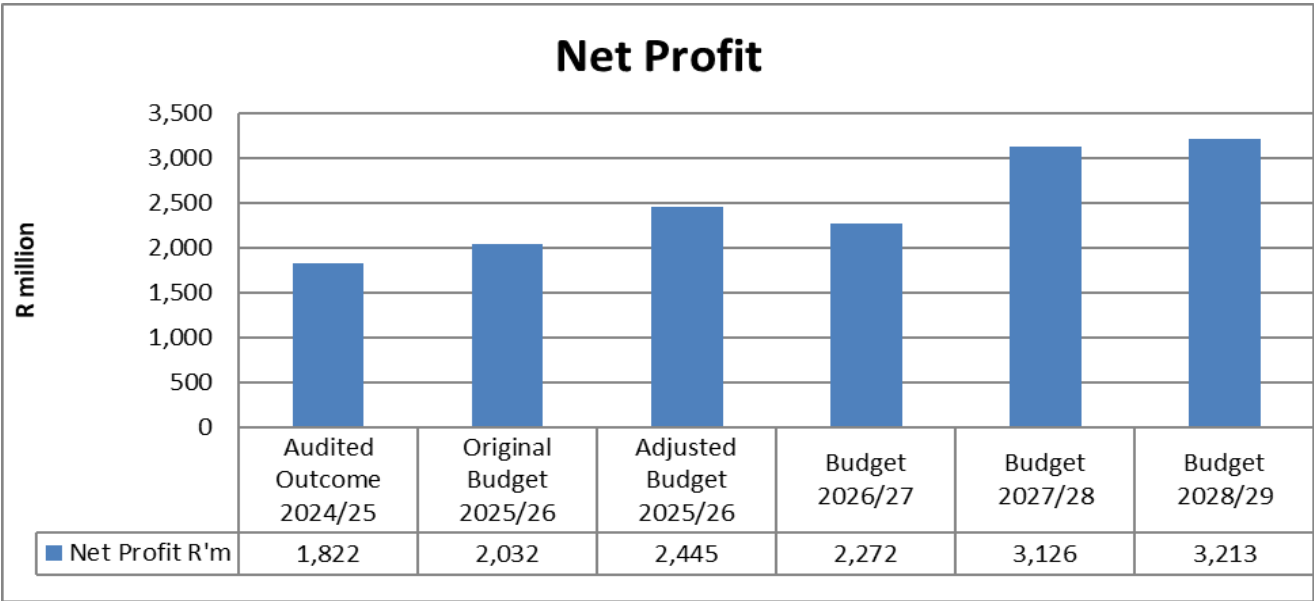


Figure 13: Net profit

5.2.3 Debt impairment

Debt impairment has been increasing over several years, as reflected in Figure 14

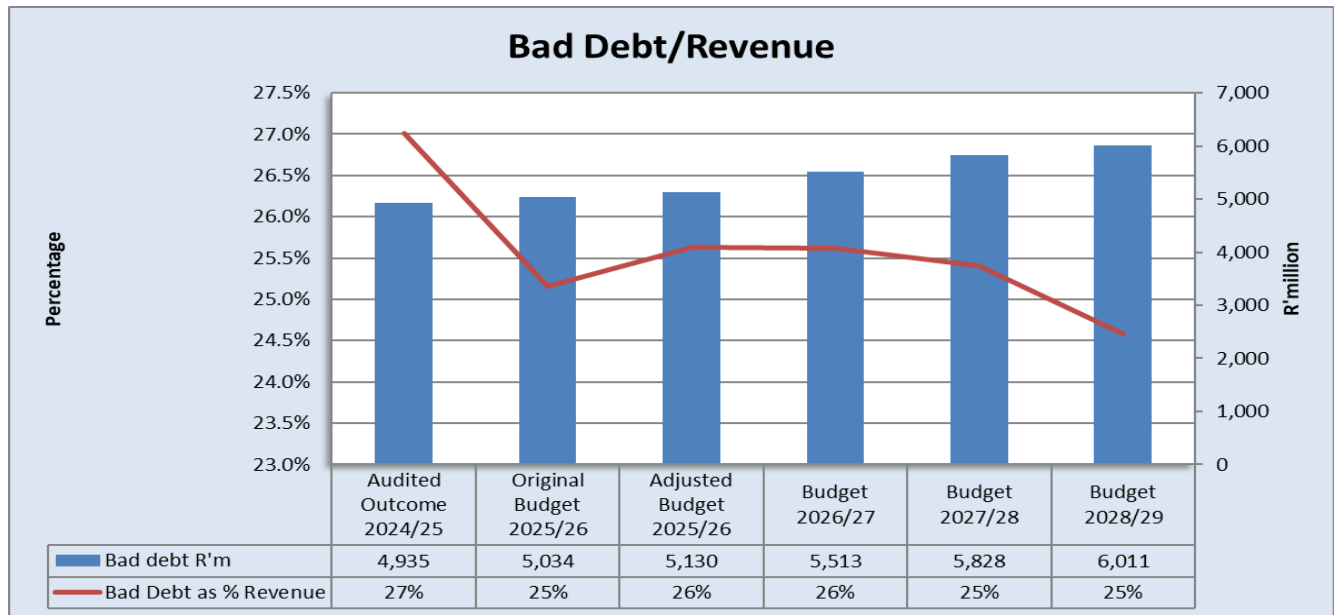


Figure 14: Debt impairment

Debt impairment for the 2026/27 financial year is projected at R5.513 billion, reflecting an increase from the 2025/26 adjusted budget of R5.130 billion. This provision is informed by a targeted collection rate of 74.38%, highlighting continued pressure on revenue realisation. The sustained level of non-payment remains a key financial risk, directly constraining cash flow availability for both operational service delivery and capital investment. This underscores the critical importance of strengthening revenue collection mechanisms as part of the entity's financial sustainability strategy. In response, Johannesburg Water has refined its credit control approach, focusing on enhanced enforcement, improved monitoring, and regular review processes. A key priority is the prevention of illegal reconnections, which continues to undermine revenue integrity.

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

5.3 Controls over operating costs

General expenses increased from the adjusted budget of R564 million in 2025/26 to R584 million for 2026/27 FY. The budget for contracted services increased from R1,467 billion in 2025/26 FY to R1.551 billion for 2026/27 FY. Employee related costs increased from the adjusted budget of R2.059 billion in 2025/26 FY to R2.273 billion for 2026/27 FY. The operating costs per major category are reflected in figure 15.

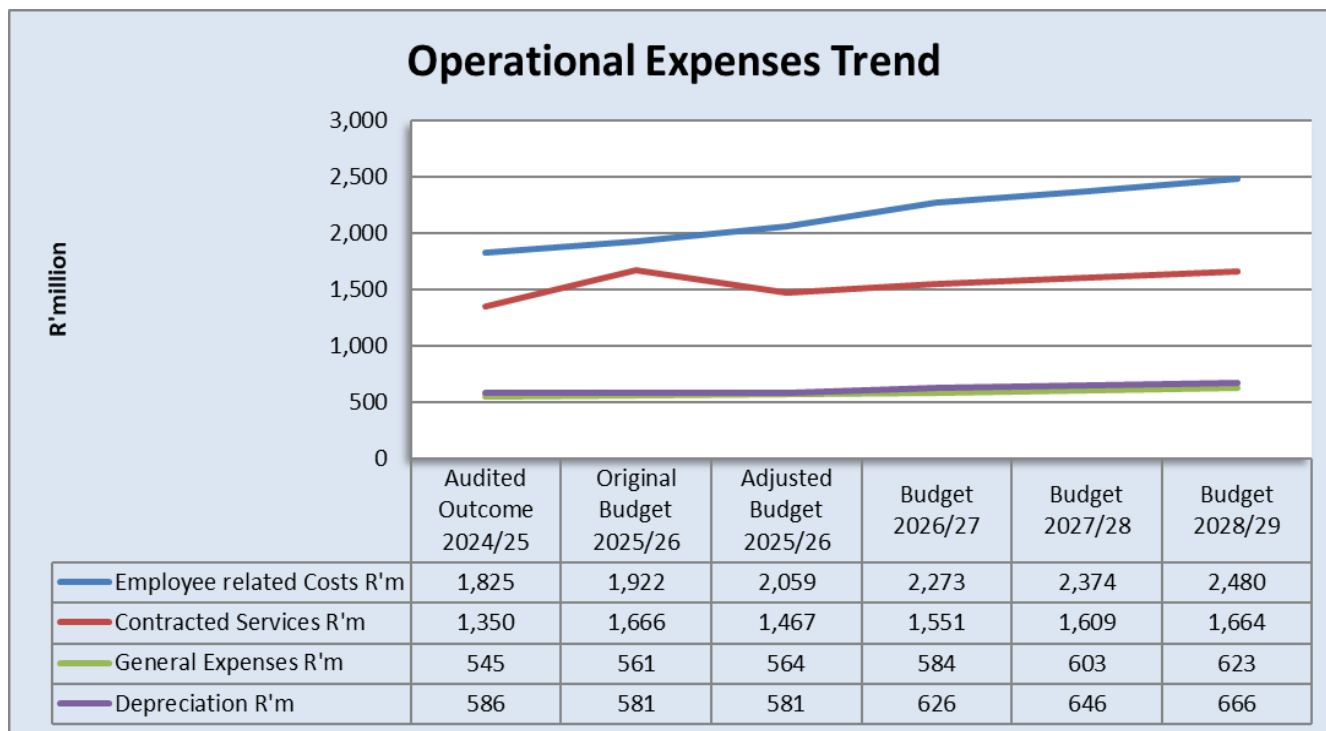


Figure 15: Operational expenses

Table 45 below outlines the proposed increased in employee related cost for 2025/26 FY.

Table 45: Employee-related costs

2025/26 budget (R'000)	2,058,641
Salary increases at 10.4%	214,439
Proposed budget for 2026/27	2,273,080

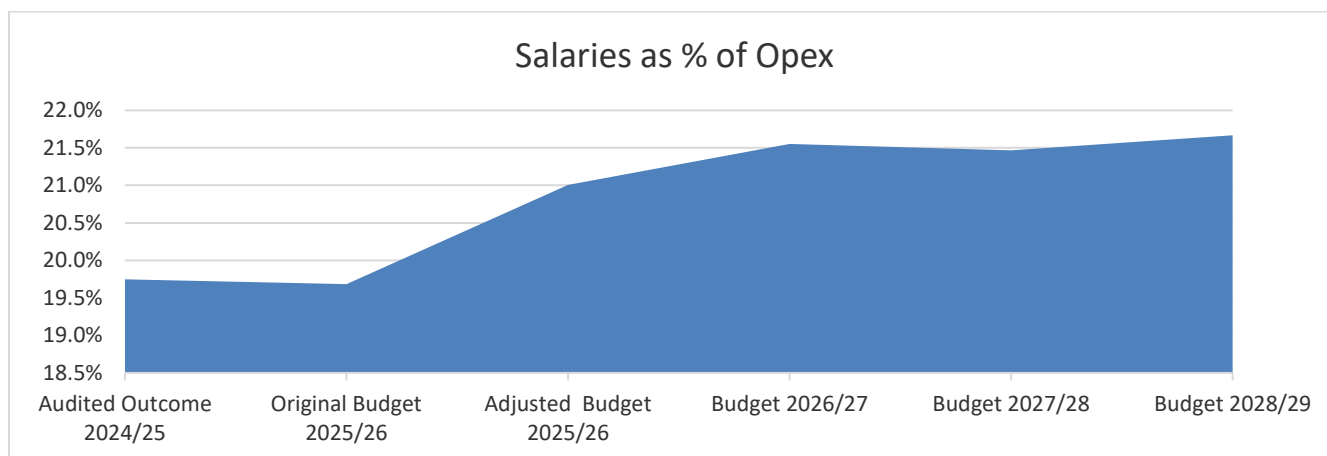


Figure 16: Salary trends

Johannesburg Water ended 2024/25 on 19.7% salaries to operating expenses. The budget for 2026/27 FY is set at 21.6%. The ratio is well below National Treasury's benchmark of 25%-30%, which reflects under capacity of staff resources and poses a threat to resource sustainability in the service delivery offerings. There has been consequential additional pressure on staff resources which has resulted in excess use of overtime. This has an adverse impact on service delivery.

5.4 Contracted services

Contracted services constitute the services procured relating to the provision of water and sanitation and include critical repairs and water conservation projects. Table 46 illustrates the proposed changes on contracted services.

Table 46: Proposed changes on contracted services

2025/26 budget (R'000)	1,467,099
Adjustment at 5.7%	83,459
Proposed budget for 2026/27	1,550,558

Table 47: General expenses

2025/26 budget (R'000)	564,499
Adjustment at 3.4%	19,472
Proposed budget for 2026/27	583,971

5.5 Cash generated from operations

During 2024/25, the collection level was 74.84% and the adjusted budget for 2025/26 FY is 74.37%. The budgeted collections level in 2026/27 FY is at 74.38%, as indicated in Figure 17. This is expected to improve in the medium term as a result of the implementation of the revised credit control strategy

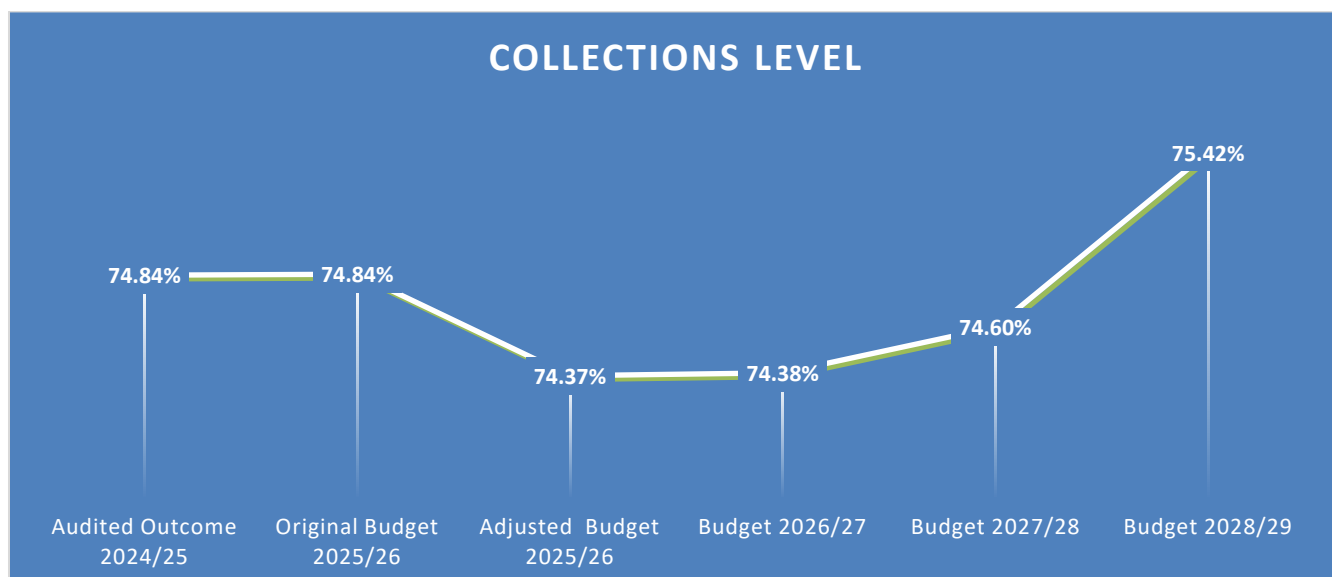


Figure 17: Collections levels

The cash balance is swept to CoJ in terms of the treasury management arrangement. At the end of 2024/25 FY, Johannesburg Water had cash reserves of R4.045 billion.

The projected cash reserve for the Medium-Term Revenue Expenditure Framework (MTREF) is reflected in figure 18.

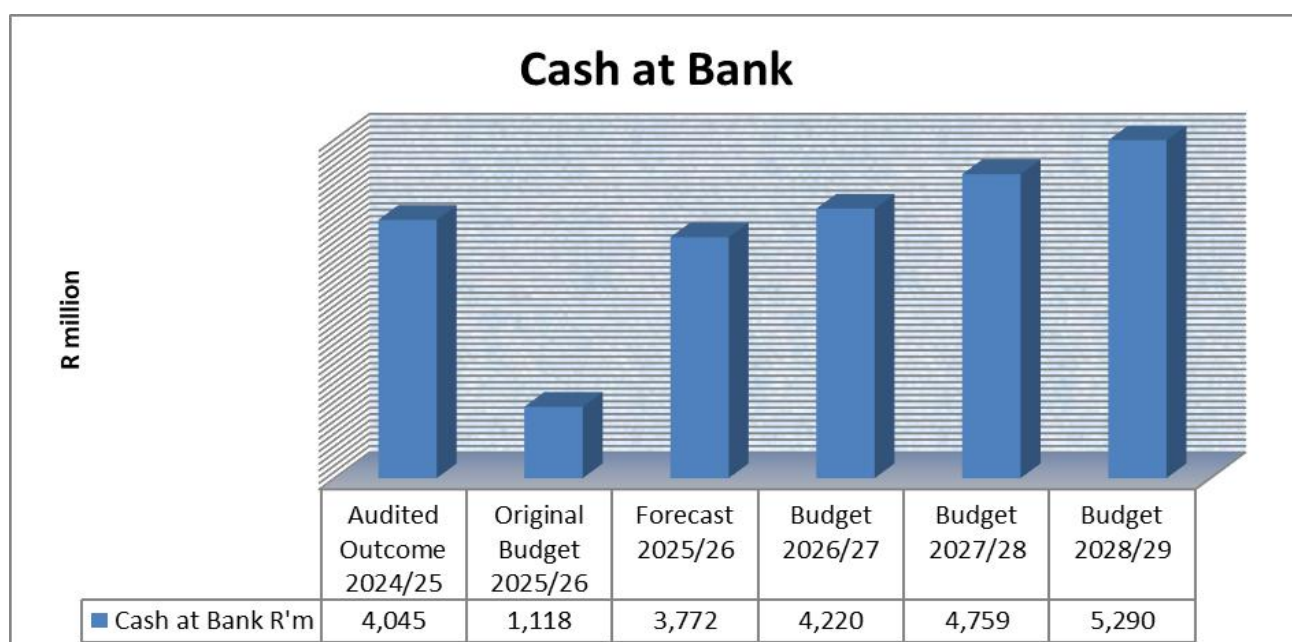


Figure 18: Projected cash reserve

The cash position for 30 June 2027 is budgeted at R4.220 billion (forecast 2025/26: R3.772 billion). Every percentage not met in collections level collections will result in R179 million forgone and failure to collect funds at forecasted rates will have an impact on the solvency of Johannesburg Water.

5.6 Solvency

Johannesburg Water budgeted to be in a strong solvency position, with the total assets exceeding the total liabilities by R20.344 billion in the 2026/27 FY. The solvency ratio as at 30 June 2026/27 FY is budgeted at 3.99% as illustrated in Figure 19.

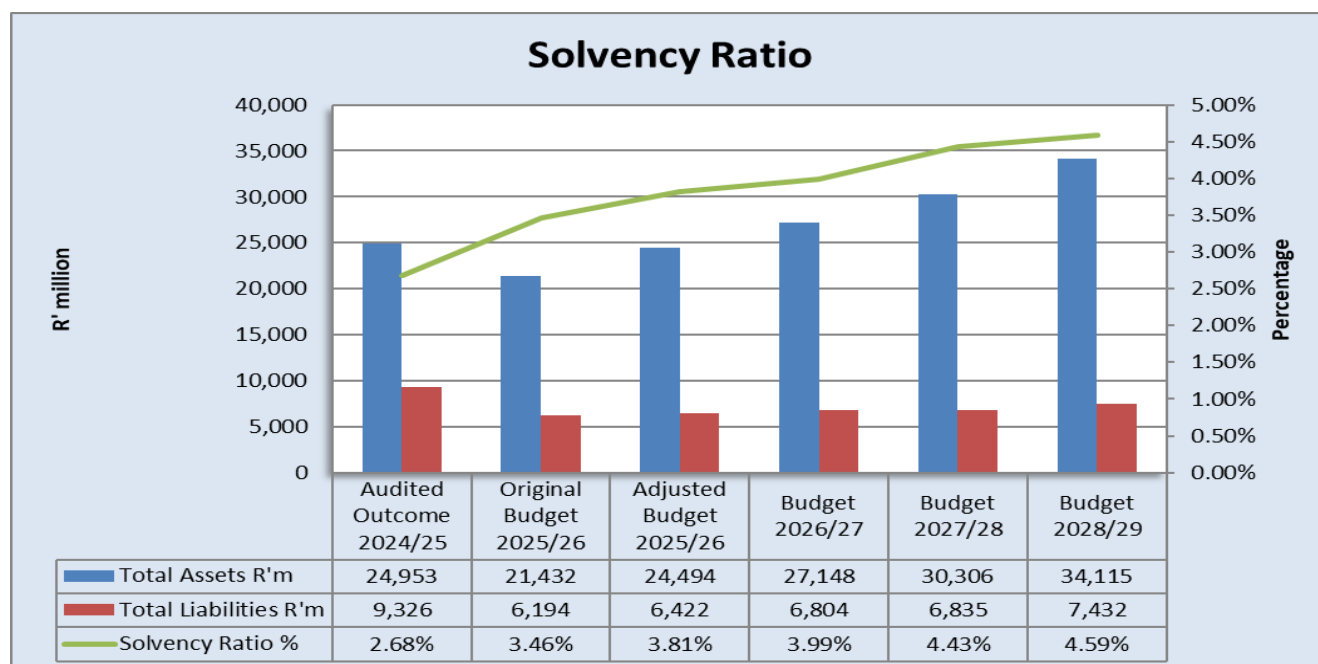


Figure 19: Solvency ratio

5.7 Capital projects

The capital expenditure is budgeted as follows:

- 2026/27 R1.96 billion
- 2027/28 R2.019 billion
- 2028/29 R2.413 billion

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

The source of funding for capital expenditure is reflected in Figure 20. The affordability of funding for infrastructure remains a challenge, especially if payment levels do not improve or deteriorate due to prevalent economic conditions.

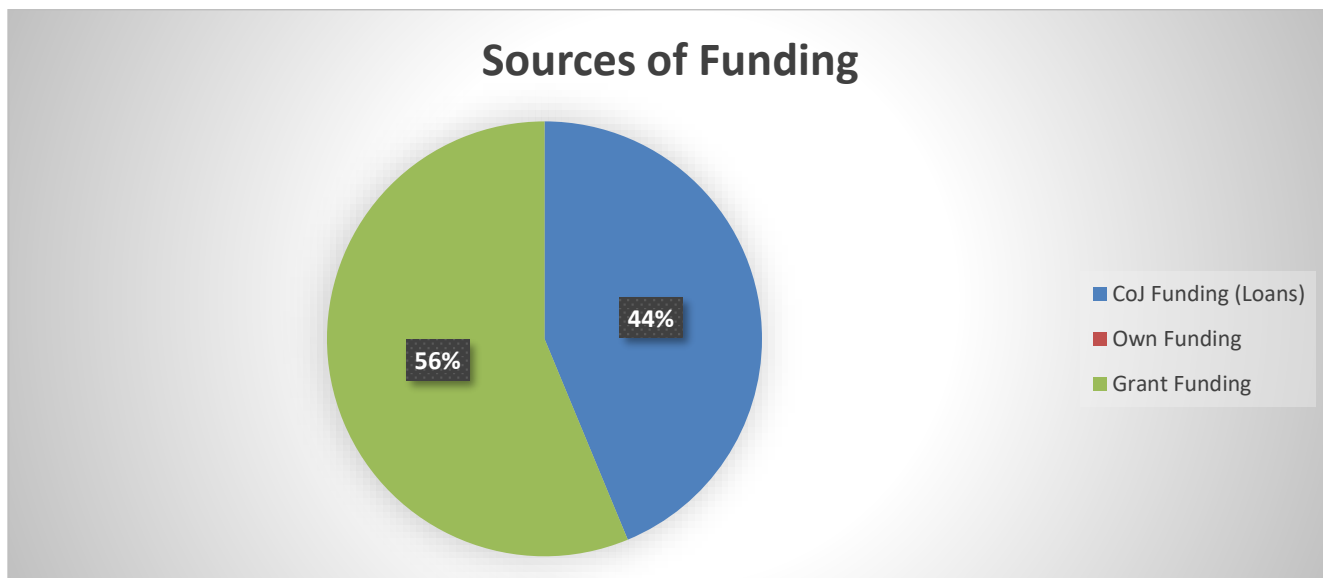


Figure 20: Sources of funding

The entity will continue to provide the 6kl free water. High volume consumers will continue to pay at a higher rate in order to incentivise the saving of water. The anticipated increase in water is 12.5% and sanitation tariffs at 11%. The cost of water purchased from Rand Water will be R16.88 per kl in 2026/27 FY (11% increase implemented by Rand Water). The proposed tariff increase promotes financial sustainability and the pursuance of the upgrading of water and sanitation Infrastructure and other service delivery initiatives.

5.8 Revenue and tariff analysis

The entity will continue to provide the 6kl free water in 2026/27 FY. The entity intends to re-introduce a charge on the first 6kl of water beyond 2026/27 FY. High volume consumers will continue to pay at a higher rate in order to incentivise the saving of water. The anticipated increase in water and sanitation tariffs is 12.5% and 11% respectively. The cost of water purchased from Rand Water will be R16.88 per kl in 2026/27 FY. The proposed tariff increase promotes financial sustainability and the pursuance of the upgrading of water and sanitation Infrastructure and other service delivery initiatives.

5.9 Proposed Tariff Increase

Domestic water, prepaid water and sanitation tariffs will be increased as per Tables 48 and 49

Table 48: Residential Conventional/post paid

Bands	2025/26	2026/27	2027/28	2028/29
	Tariff (R/kl)	Tariff (R/kl)	Tariff (R/kl)	Tariff (R/kl)
0-6	-	-	-	-
>6-10	29.84	33,57	835,79	38,15
>10-15	31.15	35,04	37,36	39,82
>15-20	43.67	49,13	52,37	55,83
>20-30	60.36	67,91	72,39	77,16
>30-40	66.01	74,26	79,16	84,39
>40-50	83.28	93,69	99,87	106,47
>50	89.24	100,40	107,02	114,08

Table 49: Residential pre-paid

Bands	2025/26	2026/27	2027/28	2028/29
	Tariff (R/kl)	Tariff (R/kl)	Tariff (R/kl)	Tariff (R/kl)
0-6	-	-	-	-
>6-10	25.70	28,91	30,82	32,85
>10-15	26.52	29,84	31,80	33,90
>15-20	31.69	35,65	38,00	40,51
>20-30	57.36	64,53	68,79	73,33
>30-40	61.75	69,45	74,03	78,92
>40-50	77.16	86,81	92,53	98,64
>50	84.38	94,92	101,19	107,87

Industrial and commercial tariffs are to be increased as follows:

- Consumption up to 200 kl at 8%
- Consumption exceeding 200 kl at 8%.
- All other tariffs increased by 11%.
- Demand levy increased to R107.74 for residential customers and R413.84 for all other customers.

5.10 Proposed water restriction tariff

The water restriction tariff was introduced in 2016/17. The aim of these tariffs is to encourage residents to save water during water restrictions. Table 50 depicts the water restriction tariffs per band (consumption levels).

Table 50: Proposed water restriction tariff – domestic

	2025/26	CONVENTIONAL WATER RESTRICTIONS							
Band	Normal Tariff	Level 1 - 15%	Level 2 -20%	Level 3 -25%	Level 4 -30%	Level 5 - 35%	Level 6 - 40%	Level 7 - 45%	Level 8 - 50%
	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)
0-6	-	3,90	7,80	16,88	16,88	16,88	16,88	16,88	16,88
> 6-10	33,57	34,70	37,48	39,11	41,96	45,24	49,18	53,73	59,33
>10-15	35,04	38,28	41,51	42,39	45,45	48,99	53,21	58,10	66,95
>15-20	49,13	55,08	59,82	62,17	66,64	71,79	77,88	85,01	99,55
>20-30	67,91	79,89	83,57	87,79	94,08	101,34	110,78	125,49	146,33
>30-40	74,26	87,37	90,60	94,34	101,12	108,94	137,18	151,95	170,40
>40-50	93,69	117,72	128,72	131,76	143,02	156,36	221,45	377,39	703,62
>50	100,40	150,30	165,41	188,71	267,53	458,47	561,02	1 228,35	2 360,95

Table 51: Proposed water restriction tariff – domestic

	2025/26	PRE-PAID WATER RESTRICTIONS							
Band	Normal Tariff	Level 1 - 15%	Level 2 -20%	Level 3 -25%	Level 4 -30%	Level 5 - 35%	Level 6 - 40%	Level 7 - 45%	Level 8 - 50%
	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)	(R/kl)
0-6	-	3,90	7,80	16,88	16,88	16,88	16,88	16,88	16,88
6>10	28,91	29,89	32,28	33,69	36,14	38,96	42,36	46,27	51,10
>10-15	29,84	32,59	35,34	36,09	38,70	41,71	45,30	49,47	57,00
>15-20	35,65	39,97	43,41	45,11	48,36	52,10	56,52	61,69	72,24
>20-30	64,53	75,92	79,41	83,42	89,40	96,31	105,27	119,25	139,06
>30-40	69,45	81,70	84,72	88,22	94,56	101,87	128,29	142,10	159,36
>40-50	86,81	109,07	119,26	122,08	132,51	144,87	205,18	349,65	651,92
>50	94,92	142,11	156,40	178,43	252,95	433,48	530,45	1,161,41	2,232,29

Table 52: Proposed private dwelling – domestic sanitation

ERF Size (m²)	2025/26	2026/27	2027/28	2028/29
	Tariff (13.9%)	Tariff (6.6%)	Tariff (6.6%)	Tariff (6.6%)
	(R/erf/month)	(R/erf/month)	(R/erf/month)	(R/erf/month)
Up to and including 300m²	358.42	403.22	429.84	458.20
Larger than 300m² to 1000m²	697.73	784.95	836.75	891.98
Larger than 1000m² to 2000m²	1 055.51	1 187.45	1 265.82	1 349.36
Larger than 2000m²	1 520.83	1 710.93	1 823.86	1 944.23

Table 53: Non-residential tariffs

Business				
Bands	2025/26	2026/27	2027/28	2028/29
200kl	68.26	73.72	78.59	83.77
>200kl	72.01	77.77	82.90	88.38

Institutions				
Bands	2025/26	2026/27	2027/28	2028/29
200kl	55.96	62.96	67.11	71.54
>200kl	65.54	73.73	78.60	83.79

CHAPTER 6:

MANAGEMENT AND

ORGANISATIONAL

STRUCTURE

MANAGEMENT AND ORGANISATIONAL STRUCTURES

6.1 Organisational structure

The organisational governance and management structures are depicted in Figure 21a and 21b. The Audit and Risk Committee on figure 21b is a Board committee and not part of management, it is included to demonstrate the independence of the Chief Audit Executive.

Figure 21a: Governance structure

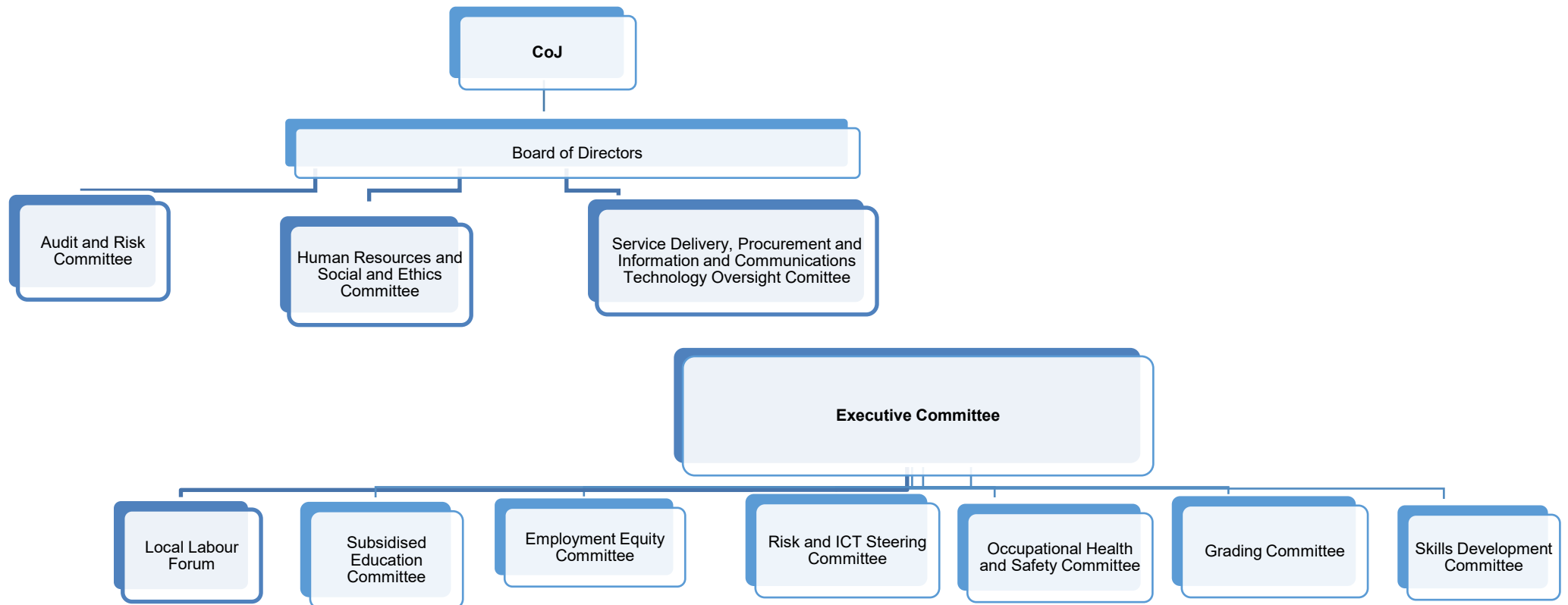
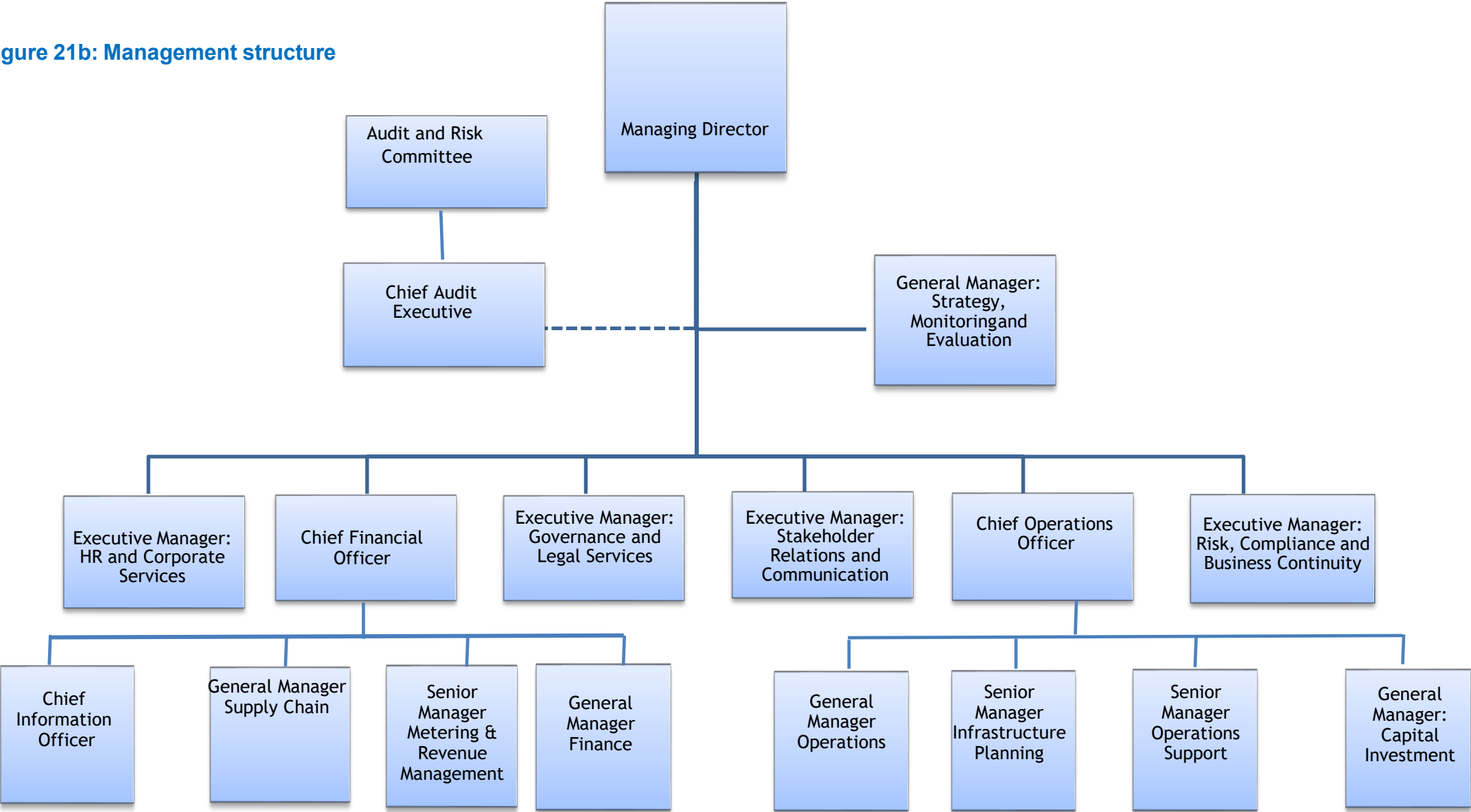


Figure 21b: Management structure



6.2 Management team

The management team consists of eight executive managers with two positions being vacant and the process to fill them has commenced. Their qualifications and experiences are enclosed in Table 54.

Table 54: Executive Management

Name	Position	Qualifications	Skills and expertise
Ntshavheni Mukwevho	Managing Director	• BTech: Eng (Civil) • Master of Business Leadership (MBL) • Pr Tech Eng • Certificate in Municipal Finance Management	• Engineering and operations management • Construction management • Project management • Water purification and distribution system • Sewerage collection systems
Gugulethu Phakathi	Chief Operations Officer	• NDIP (Mechanical Engineering) • BTECH Degree (Mechanical Engineering)	• Build Environment • Project Management, • Construction • Engineering
Kgaugelo Mahlaba	Chief Financial Officer	• ND Credit Management • BCTA • CTA • CA SA • CIMA Case Study Completed	• Financial Modelling and Analytics Internal audit • Financial management • Governance, risk management and internal control • Finance processes. • Financial Management and Strategy • Capital Budgeting • Corporate Finance • Governance, risk management and internal control
Shaniseka Mathebula	Chief Audit Executive	• BCompt • Postgraduate Diploma: Internal Auditing • Certified Internal Auditor (CIA) • Associate General Accountant (AGA) SAICA • Certificate in Municipal Finance Management	• Internal audit • Financial management • Governance, risk management and internal control
Thokozile Hlakoane	Executive Manager: Risk and Compliance	• BCom • Certificate Programme in Management and Development (Municipal Finance) • Member of Institute of Risk Management SA (IRMSA), Association of Certified Forensic Examiners SA (ACFE), The Ethics Institute SA (TEI)	• Risk Management • Insurance • Forensic Investigation • Occupational Health and Safety • Ethics Champion

Name	Position	Qualifications	Skills and expertise
Raisebe Gaveni	Executive Manager: Human Resources and Corporate Services	- Honours Degree (Industrial Psychology) - Master of Science in Human Resources - Postgraduate Diploma in Coaching - HR Master Professional (SABPP) - Member of the Institute for People Management	- Recruitment & Selection - Performance Management - Talent & Succession Management - Organisational culture & Change Management - Employee Health & Wellness - Transformation - Leadership development & Knowledge Management - Employee Relations - Corporate Social Investment
Kethabile Mabe	Executive Manager: Governance and Legal Services	- LLB - Management Advancement Programme - Admitted attorney of the High Court of SA - Post-Graduate Diploma: Corporate Governance	- Legal Services - Human Resources Management - Customer Relation Management - Legislative Compliance - Strategic Communication - Facility Management - Secretariat services - Corporate Governance
Nondumiso Mabuza (CPRP)	Executive Manager: Stakeholder Relations and Communication	- M Phil (Communication Management) - BA Honours (Communication Science) - BA (Communication Science) - Certificate in Municipal Finance Management	- Strategic Communication Management - Strategic Planning - Stakeholder Relations Management - Outreach Programme Management - Customer Relationship Management - Project Management - Change Management

6.3 Organisational Capacity analysis

Johannesburg Water's capacity analysis requirements take cognisance of training needs, attrition due to resignations, the retention of scarce skills, retirements, employee wellbeing and an aligned organisational structure. In an endeavor to achieve optimal performance to remain service focused, the company conducts employee satisfaction surveys. The last assessment was conducted in 2021/22, and the implementation plans for improvements are in progress and will continue into the 2026/27 FY. The organisational diagnosis and review will be conducted with the view of analysing the integration and alignment between strategy, organisational delivery processes, the organisational structure and its levels, the clarity of roles within the hierarchy and people factor.

CHAPTER 7: COMMUNICATIONS AND STAKEHOLDER MANAGEMENT COMMUNICATIONS

7. COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

7.1 Stakeholder matrix

Table 55 illustrates the stakeholder mapping which has identified key stakeholders relating to the business of the Company. The process has identified all stakeholders who have an interest in the Company and categorised them, according to different levels of engagement. The mapping of the stakeholder has been done according to the levels of interest and influence. The process of stakeholder mapping is considered a form of risk management. Meeting the stakeholders' requirements and keeping them happy will reduce the risk of service delivery failure.

Table 55: Stakeholder matrix

Stakeholder	What matters to them?	What concerns them? (Risks)	How does Johannesburg Water respond to their concerns?	How does Johannesburg Water communicate with them?
Customers	• Recognition/affirmation/valued • Dignity • 24/7 access • Quality services – access, safety, reliability, affordability • Responsive Johannesburg Water (seen to be) • “Batho Pele” • Company excellence – timeous and accurate statements, effective customer service and problem resolved first time	• Cost of services • Perceived lack of quality of water • Sanitation/health • Customer experience – service interruptions, lack of consultation, lack of information, smart meters imposed, lack of professionalism of frontline staff	• Frontline staff training • Education, outreach and awareness campaigns • Correct meter readings • Proper reinstatement	• Social media • Online media • Email • Media WhatsApp group • SMS gateway • Broadcast media interviews • Councillors

Stakeholder	What matters to them?	What concerns them? (Risks)	How does Johannesburg Water respond to their concerns?	How does Johannesburg Water communicate with them?
Special Customers	- Quality services – access, safety, reliability, affordability - Responsive Johannesburg Water “Batho Pele” - Company excellence – correct statements	- Customer experience - Service interruptions - Lack of consultation - Lack of information	- Classified as platinum accounts with multi-levels of engagement - Office of the MMC-EISD active participant	- RSSC is the first line of contact with the assistance of Johannesburg Water - Stakeholder forums
Employees and labour unions	- Job security - Clear vision and direction - Conditions of service - Recognition/ affirmation/valued - Fairness - Opinions count - Two-way communication - Responsive Johannesburg Water	- Gap between executive management and junior levels - Information gatekeeping - New technology - Increased cost of living - Inconsistent application of performance assessments	- Communicate decisions of top management - Quarterly MD engagement with staff - Mandatory quarterly business unit and staff meetings - Scheduled meetings with unions - Information on intranet - Include unions on intranet	- Unmediated engagement - Internal publication - Intranet - Incentives/ recognition - Electronic and print media
Suppliers and service providers	- Realistic terms of reference/ specifications - Fair competition - Transparent procurement procedures - Cash flow	- Delayed payment - Non-payment - Changes in contract price - Variance orders - Ineffective dispute resolution - Termination of contracts - B-BBEE compliance	- Communicate track record - Strengthen dispute unlocking mechanism - Company procedures and policies	- Unmediated engagement - Correspondence - Project update meetings - Emails - Website

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

Stakeholder	What matters to them?	What concerns them? (Risks)	How does Johannesburg Water respond to their concerns?	How does Johannesburg Water communicate with them?
Funding institutions	• Stable infrastructure • Cost of doing business	• Aged infrastructure • Unreliable water and sanitation services	• Maintain infrastructure	• Structured communication through the shareholder
Structured partnerships	• Access to information • Information sharing • Recognition • Brand ambassadors • Knowledge on various water issues	• Lack of credible information • Partnerships	• Access channels • Johannesburg Water's agenda/ opportunities for partnership	• Unmediated engagement • Online media • Traditional methods • Educational tours

CHAPTER 8:

AUDIT RESOLUTION

8. AUDIT RESOLUTION

8.1 Progress resolution of audit findings

The resolution rate for IAD findings for the 2024/25 FY was at 80% and AGSA was at 79%. IAD will continue to follow up on unresolved findings to ensure the management resolution rate improves with specific emphasis on addressing the root causes to reduce the instances of repeat findings.

8.2 Comparisons of the previous audit opinions

Johannesburg Water has achieved a constant audit outcome/opinion for the past five FYs, i.e., an “unqualified audit opinion,” as depicted in Table 56.

Table 56: Comparative audit opinions

	2020/21	2021/22	2022/23	2023/24	2024/25
Audit opinion	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified

The CoJ established the Operation Clean Audit task team to implement a coordinated effort across the board to improve the audit outcome, aiming for a clean audit in the near future. At an entity level, Johannesburg Water has implemented a dashboard process, overseen by the Managing Director, to monitor the implementation of remedial actions. There has been a significant improvement in the resolution rate, which is illustrated by the upward trend experienced in the past four FYs as indicated in Figure 22.

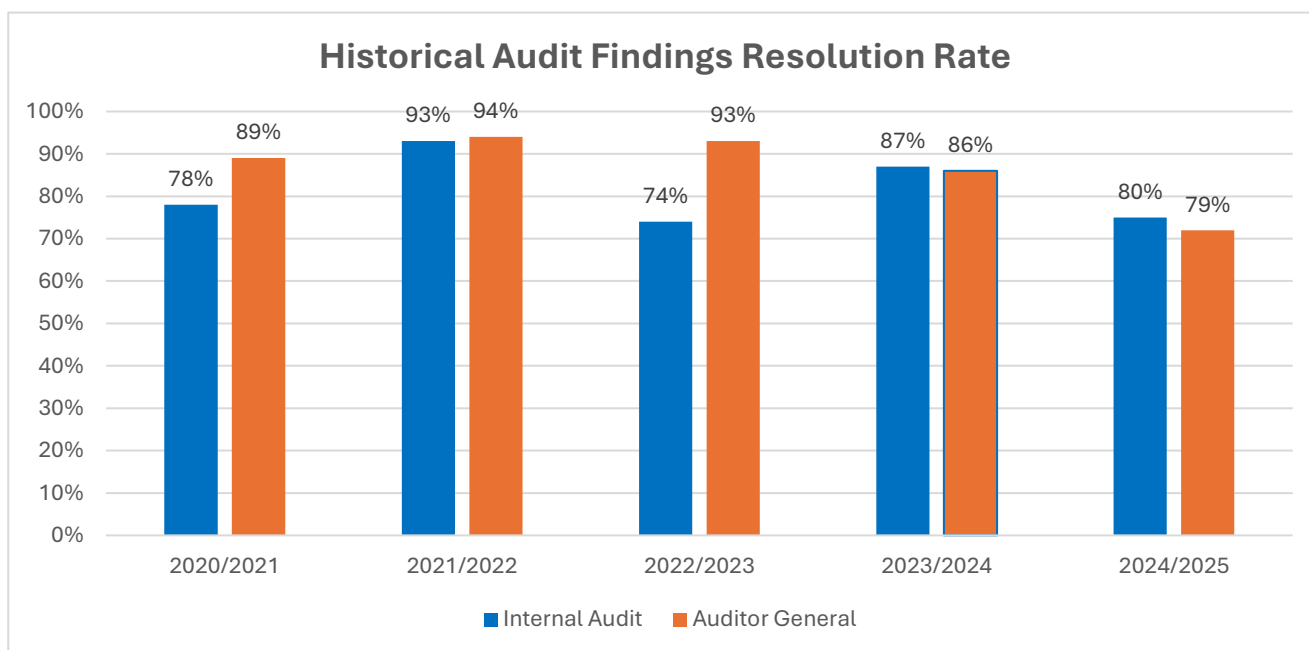


Figure 22: Audit findings resolution rate

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

The findings that were on the AGSA's Management Letter which affected the Auditor's Report in the 2023/24 financial year related to Supply Chain Management processes, particularly the non-compliance with Regulation 36, while there were important findings of non-compliance with the water use license of Johannesburg Water as well as deficiencies in the IT access and security controls. Management established a Dashboard Committee, chaired by the Managing Director, to address all prior-year findings. The committee met on a bi-weekly basis.

Johannesburg Water Management devised a UIFW reduction strategy which is currently being implemented. The Strategy is being implemented to address the issue of non-compliance with the related Supply Chain Management Regulations and contracts management. Issues of non-compliance with Supply Chain Management Regulations are amongst the main factors contributing to the irregular expenditure reported by AGSA.

ANNEXURES

ANNEXURE A: SUMMARY OF CAPITAL PROGRAMMES

Name of Program	Project Name	Capital Budget (R'000)			Return on Investment	COJ Regions
		2026/27	2027/28	2028/29		
Water Demand Management	Infrastructure Upgrade and Renewal (Retrofitting & leaks repair)	149,783,0	202,700,3	147,000	Total water savings of 36 000 MI per annum (R 245 million water saving per annum at a current rate of R 6.81/ kl)	City Wide
	Pipe Replacement	254,000,0	205,5440	246,250	Potential Water savings of 1 296 MI/annum on completion of programme equivalent to R 8.8 million/year).	City Wide
	O & M Category (including pressure management)	337,343,0	101,000,0	205,000	Potential Water savings of 1 296 MI/annum on completion of programme equivalent to R 8.8 million/year).	City Wide
Bulk Wastewater Expansion and Upgrades	Elefantes've heating and mixing / refurbishment	50,000,0	132,507,2	210,000	Treatment service continuity	D & F
	Bushkoppies balancing tank / refurbishment	87,000,0	65,000,0	206,060	Treatment service continuity	D
	Goudkoppies (Refurbishment)	10,00,0	65,000,0	110,646	Treatment service continuity	D & F
	Northern Works Upgrade & Refurbishment) 460 MI/d	125,755,0	330,737,0	316,255	Treatment service continuity	A, B,C & E
	Driefontein concrete lining over-flow / refurbishment	39,291,3	10,000,0	32,000	Treatment service continuity	C
	Lanseria 50MI/d	10,000,0	15,000,0	50,000	Treatment capacity for 50 000 HH equivalent	A & C
	Ennerdale (Upgrade and refurbishment)	19,593,0	30,000,0	70,000	Treatment service continuity	G
	WWTW General	2,000,0	12,000,0	30,000	Treatment service continuity	All

Name of Program	Project Name	Capital Budget (R'000)			Return on Investment	COJ Regions
		2026/27	2027/28	2028/29		
Reservoirs	Erand Tower 0.75	2,000,0	0.0	0	Storage capacity 750 HH equivalent	A
	Blue Hills Tower 1.8 MI	2,000,0	10,000,0	0	Storage capacity for 1 800 HH equivalent	A
	Robertville Tower 2.25MI	13,000,0	52,500,0	10,000	Storage capacity for 2 250 HH equivalent	C
	Lion Park Bulk Water and Sewer Infrastructure Upgrade	0.0	0.0	0		C
	Woodmead Reservoir 20MI	70,000,0	110,000,0	20,000	Storage capacity for 20 000 HH equivalent	E
	Halfway House Reservoir 20MI	2,000.0	5,000,0	0	Storage capacity for 20 000 HH equivalent	A
	President Park Reservoir 80 MI	3,000.0	5,000,0	35,000	Storage capacity for 80 000 HH equivalent	A
	President Park Tower Reservoir 2.25 MI	2,000,0	5,000,0	15,000	Storage capacity for 2 250 HH equivalent	A
	Pretorius and Reservoir 10ML	0.0	10,000,0	20,000	Storage capacity for 10 000 HH equivalent	A
	Pretoriusrand Tower 1.2ML	0.0	10,000.0	15,000	Storage capacity for 10200 HH equivalent	A
	Diepsloot Tower 1.6 MI	1,000,0	5,000.0	20,000	Storage capacity for 1 600 HH equivalent	
	Diepsloot Reservoir 40 MI	1,000.0	5,000,0	40,000	Storage capacity upgrade for 40 000 HH equivalent	A
	Kensington B Reservoir 22MI	1,000,0	5,000,0	20,000	Storage capacity upgrade for 22 000 HH equivalent	D
	Linbro Park Tower 3.9 MI	81,000,0	0.0	0	Storage capacity 3 900 HH equivalent	E

Name of Program	Project Name	Capital Budget (R'000)			Return on Investment	COJ Regions
		2026/27	2027/28	2028/29		
	Bryanston Tower 1.5 MI	2,000,0	30,000,0	0	Storage capacity 1 500 HH equivalent	B
	Carswald Reservoir 20 MI	81,159,9	50,025,5	-	Storage capacity 20 000 HH equivalent	A
	Dobsonville Reservoir 15ML	1,000,0	1,000,0	10,000	Storage capacity 15 000 HH equivalent	C
	Doornkop West Reservoir 85 MI	2,000.0	2,000.0	15,000	Storage capacity 85,000 HH equivalent	C
	Kensington B Tower 0.5MI	1,000.0	5,000.0	25,000	Storage capacity 500 HH equivalent	D
	Cosmo City Reservoir 30MI	1,000.0	5,000,0	35,000	Storage capacity 30,000 HH equivalent	C
	Turffontein Redevelopment Corridor: Forest Hill Tower	15,000,0	5,000.0	0	Storage capacity 2 500 HH equivalent	D
	Kensington Booster 4.2ML	1,000.0	15,000,0	0	Storage capacity 4 200 HH equivalent	D
	Winchester Hills Reservoir 12ML	0.0	0.0	0	Storage capacity 12 000 HH equivalent	D
	Brixton Reservoir 2 26ML	0.0	0.0	0	Storage capacity 26 000 HH equivalent	D
	Crown Gardens Reservoir 20ML	0.0	0.0	0	Storage capacity 20 000 HH equivalent	D
	Crosby Tower 1.4ML	0.0	0.0	0	Storage capacity 1 400 HH equivalent	D
	Crosby Bulk Pipeline	83,000,0	0.0	0		D
	Honeydew Pumpstation	1,000,0	5,000,0	15,000		C

Name of Program	Project Name	Capital Budget (R'000)			Return on Investment	COJ Regions
		2026/27	2027/28	2028/29		
	Linksfeld Reservoir 40ML	1,000,0	5,000,0	0	Storage capacity is 40 000HH equivalent	D
	Ennerdale Reservoir - 50 MI	0.0	10,000,0	20,000	Storage capacity 50 000HH equivalent	G
	South Hills Tower Sump and Pump Station	0.0	0.0	25,000		
	Erand Reservoir 50 MI	0.0	0.0	5,000		
	Grand Central Reservoir 30MI	0.0	0.0	5,000		
	Rabie Ridge Reservoir 10 MI	0.0	0.0	5,000		
	Rabie Ridge Tower 1 MI	0.0	0.0	2,000		
	Heartland North High Level Reservoir 30 MI	0.0	0.0	5,000		
	Heartland Tower 2.45 MI	0.0	0.0	2,000		
	Illovo Reservoir 68 MI	0.0	0.0	5,000		
	Illovo Tower 1 MI	0.0	0.0	1,500		
	Linbro Park Reservoirs 30 MI	0.0	0.0	5,000		
	Linbro Park Reservoirs 15 MI	0.0	0.0	2,000		
	Lion Park Reservoir 30 MI	0.0	0.0	5,000		

Name of Program	Project Name	Capital Budget (R'000)			Return on Investment	COJ Regions
		2026/27	2027/28	2028/29		
	Main Reef Tower 3.2 MI	0.0	0.0	2,000		
	Florida reservoir 15 Ml	0.0	0.0	3,000		
	Crown North Reservoir 31.5 MI	0.0	0.0	5,000		
	Crown North Tower 2.1 MI	0.0	0.0	2,000		
	Jabulani Tower 1.5 MI	0.0	0.0	2,000		
	Meadowlands Tower No 2 2.3 MI	0.0	0.0	2,000		
	Jabulani Reservoir 35 MI	0.0	0.0	5,000		
Sewer Upgrade	Sewer Pipe Replacement (City Wide)	237,000,0	291,263,0	194,500	Reduced number of blockages per 100 meters.	City Wide
Water Upgrade	Water Pipe Upgrade (Networks)	142,000,0	110,600,0	69,000	To maintain capacity for current demand and create capacity for future demand to support developments	City Wide
Other	Small projects, IT, engineering studies and operational capital	129,200,0	92,000,0	123,000	Water supply continuity	City Wide
TOTAL		1,960,125	2,018,877	2,413,211		

ANNEXURE B: FINANCIALS

INCOME STATEMENT

R '000	2024/25	2025/26			Indicative Years (MTREF)		
	Actual	Approved budget	Adjustment budget	Difference	2026/27	2027/28	2028/29
Revenue	18,270,711	20,012,923	20,012,923	-	21,519 903	22,940,218	24,454,271
Water	10,374,083	11,911,542	11,911,542	-	12,527,370	13,354,176	14,235,550
Sewer	7,896,628	8,101,381	8,101,381	-	8,992,533	9,586,042	10,218,721
Cost of Sales	-8,640,118	-9 796,611	-9,796,611	-0	-10 441 962	-11,131,132	-11,865,787
Cost of Water Sold	-5,818,075	-6,418,049	-6,418,049	0	-6,691 758	-7,133 414	-7,604,220
Water Losses	-2,822,042	-3,378,562	-3,378,562	-0	-3,750,204	-3,997,718	-4,261,567
Gross margin	9,630,594	10,216,312	10,216,312	-0	11,077,941	11,809 086	12,588,484
Gross Profit Margin %	52,7%	51,0%	51,0%	1	51,5%	51,5%	51,5%
Other Income	1,218,499	1,618,532	1,967,501	348,969	1,797 199	2,535,082	2,311,112
Equitable grant	623,501	664,652	664,652	-	694,561	1 016 205	1,051,772
Deferred income release - Grant Funding	594,998	953,880	1,242,367	288,487	1,102,638	1,518,877	1,259,340
Other Income		-	60,482	60,482	-	-	-
Expenditure	-9,239,625	-9,764,270	-9,801,085	36,815	-10,546,493	-11,059,511	-11,445,001
Employee Related Costs	(1,824,639)	(1,921,981)	(2,058,641)	136,660	(2,273,080)	(2,374,237)	(2,479,896)
Contracted Services	(1,349,706)	(1,666,058)	(1,467,099)	-198,959	(1,550,558)	(1,608,516)	(1,664,192)

<i>R '000</i>	2024/25	2025/26			Indicative Years (MTREF)		
	Actual	Approved budget	Adjustment budget	Difference	2026/27	2027/28	2028/29
General Expenses	(544,521)	(560,770)	(564,499)	3,729	(583,971)	(603,008)	(622,669)
Depreciation	(585,569)	(581,036)	(581,036)	-	(625,789)	(645,814)	(666,480)
Debt impairment	(4,935,191)	(5,034,425)	(5,129,810)	95,385	(5,512,999)	(5,827,718)	(6,011,415)
Profit before interest	1,609,467	2,070,574	2,382,728	385,784	2,328,647	3 284 657	3,454 595
Net interest & sundry items	212,989	-38,361	62,139	100,500	-56,714	-158 680	-241,767
Interest income - Internal (CoJ)	206,567	22,824	123,324	100,500	23,851	24,924	26,046
Interest Debtor Arrear	282,634	295,926	295,926	-	305,987	315,779	325,884
Finance charges	(276,211)	(357,111)	(357,111)	-	(386,552)	(499,383)	(593,697)
Profit/(Loss) after finance costs	1,822,456	2,032,213	2,444,867	412,654	2,271,933	3,125,977	3,212,828
Taxation payable				-			
Profit/(Loss) for the year	1,822,456	2,032,213	2,444,867	412,654	2,272,029	3,126,195	3,213,177

DASHBOARD

	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
		Yr (0)	Yr (1)	Yr (2)	Yr (3)
CPIX	2,20%	4,60%	3,40%	3,20%	3,20%
<i>Employee Costs (%)</i>	4,80%	5,35%	4,75%	4,45%	4,45%
Rand water Tariff	8,80%	15,30%	11,00%	6,60%	6,60%
Revenue tariff	11,00%	13,90%	12,50%	6,60%	6,60%
TOTAL REVENUE	19,978,410	22,399,674	23,646,940	25,816,003	27,117,313
Service Revenue	18,270,711	20,012,923	21,519,903	22,940,218	24,454,271
Other Revenue	1,707,699	2,386,751	2,127,037	2,875,785	2,63,042
TOTAL EXPENDITURE(Rands)	18,155,954	-19,954,807	-21,375,007	-22,690,026	-23,904,485
Cost of Water sold	5,818,075	-6,418,049	-6,691,758	-7,133,414	-7,604,220
Water Losses	2,822,042	-3,378,562	-3,750,204	-3,997,718	-4,261,567
Salaries	1,824,639	-2,058,641	-2,273,080	-2,374,237	-2,479,896
OPEX (Contracted + General + R&M+ Depr + Bad Debt)	7,691,197	-8,099,555	-8,659,965	-9,184,657	-9,558,802
PROFIT	1,822,56	2,444,867	2,271,933	3,125,977	3,212,828
		55,98%	27,0860%		
CAPEX - FUNDING SOURCES	1,312,315	1,703,880	1,960,125	2,018,877	2,531,980
Grant Funding - USDG	594,998	953,880	235,927	-	-
External (COJ)	620,170	461,513	857,487	500,000	1,272,640
Own funding	97,147	-	-	-	-

	2024/25 Actual	2025/26 Forecast	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
		Yr (0)	Yr (1)	Yr (2)	Yr (3)
Grant Funding - MTRS		288,487	866,711	1 518 877	1,259,340
PROFIT	1,822,456	2,444,867	2,271,933	3 125 977	3,212,828
CASH POSITION	4,044,558	3,772,002	4,219,834	4,758,294	5,295,662
COLLECTION RATE TARGET	74,84%	74,37%	74,38%	74,60%	75,42%
BAD DEBTS	(4,935,191)	(5,129,810)	(5,512,999)	(5,827,718)	(6,011,415)
PROFIT BEFORE BAD DEBT PROVISION	6,757,647	7,574,677	7,784,932	8,953,695	9,224,243
Cost of Sales (Rands)	8,640,118	-9,796,611	-10 441,962	-11,131 132	-11,865,787

BALANCE SHEET

<i>R '000</i>	Actual	Proposed Budget	Indicative Years		
	2024/25	2025/26	2026/27	2027/28	2028/29
		Yr (0)	Yr (1)	Yr (2)	Yr (3)
ASSETS					
NON-CURRENT ASSETS	15,073,921	15,589,370	16,213,444	18,163,146	19,913,835
Fixed assets (net book values)	15,073,921	15,589,370	16,213,444	18,163,146	19,913,835
	3,647,241	3,723,095	5,111,036	5,656,376	7,223,295
Current assets	9,878,831	8,904,926	10,934,499	12,142,154	14,319,575
Service Debtors	36,234,447	37,796,147	3,176,335	41,088,252	43,361,753
Less: Provision for Bad Debts	-32,587,207	-34,073,052	-34,065,299	-35,431,876	-36,138,457
Sundry Debtors	293,333	293,333	293,333	293,333	293,333
Inventory	233,792	244,313	256,040	267,561	267,561
Cash & equivalents (CoJ Sweeping Account)	4,044,558	3,772,002	4,219,834	4,758,294	5,295,662
Cash & equivalents (Petty Cash)	32	31	31	31	31
CoJ (Loans to Shareholder)	1,659,875	872,152	1,054,225	1,166,558	1,239,693
Other current assets (Trade Receivables with Group Companies)	-				
Total Employment of Capital	24,952,752	24,494,296	27,147,943	30,305,300	34,233,410
EQUITY AND LIABILITIES					
Capital and Reserves	15,627,233	18,072,100	20,344,033	23,470,010	26,682,838
Retained income	15,627,232	18,072,099	20,344,032	23,470,009	26,682,837

<i>R '000</i>	Actual	Proposed Budget	Indicative Years		
	2024/25	2025/26	2026/27	2027/28	2028/29
		Yr (0)	Yr (1)	Yr (2)	Yr (3)
Non-Current Liabilities	2,982,466	2,868,451	3,164,162	3,018,550	3,68,792
Mirror Conduit External loans (Loans from Shareholder)	2,031,980	1,883,899	2,176,216	2,023,352	2,688,986
Shareholder Loan	-				
Other External loans (Loans from Shareholder)	-	-	-	-	-
Consumer Deposits	758,842	758,842	758,842	758,842	758,842
Deferred Income	-	-	-	-	-
Fleet lease obligation (Shareholder)	147,911	154,271	157,665	164,918	170,525
Employee benefit obligations	43,733	71,439	71,439	71,439	71,439
Current liabilities	6,343,053	3,553,744	3,639,748	3,816,740	3,860,779
Trade creditors	3,575,144	1,082,251	1,205,256	1,278,692	1,356,329
Accruals and provisions	51,109	274,496	274,496	274,496	274,496
CoJ (Loans form Shareholder)	1,688,336	1,250,029	1,250,029	1,250,029	1,250,029
Other UAC's of CoJ (Trade Payables with group companies)	257,860	268,948	274,865	287,509	297,284
Current portion of non-current liabilities	704,998	609,594	565,170	652,865	607,005
Finance lease obligation	65,606	68,427	69,932	73,149	75,636
Total equity and liabilities	24,952,752	24,494,296	27,147,943	30,305,300	34,233,410