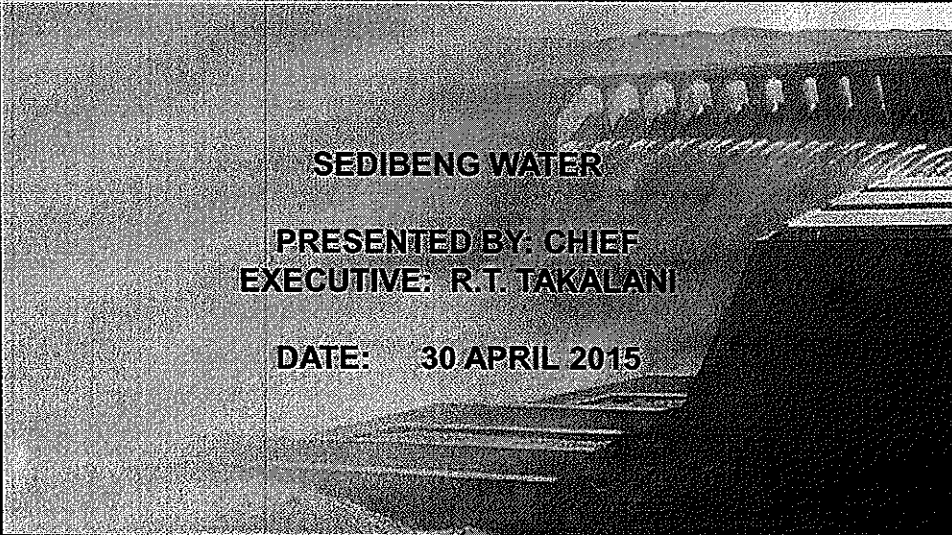


water & sanitation
Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



SEDIBENG WATER
PRESENTED BY: CHIEF EXECUTIVE: R.T. TAKALANI
DATE: 30 APRIL 2015

WATER IS LIFE. SANITATION IS DIGNITY

PRESENTATION TITLE
CONTENTS PAGE

1. Strategic objectives
2. Performance indicators
3. Spending focus (CAPEX or other types of projects)
4. Baseline budget for 14/15 and Budget allocation 2015/16
5. Jobs created 2014/15 and 2015/16

2

WATER IS LIFE. SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dws.gov.za

Strategic objectives

- Appropriate treatment of waste water and supply of potable water.
- Ensure viability and sustainability.
- To create an environment that is conducive to the growth and retention of skills.
- Effective and Efficient communications
- To ensure compliance

3

Performance indicators

KEY PERFORMANCE INDICATORS AND TARGETS-SEDBERG WATER							
Performance Objective	Alignment		Outcomes /Impact	Indicators	Measure	Target	Target
	Ministerial Outcomes & (1)	DWA Strategic Plan				2014/15	2015/16
1. Water Quality Compliance	MO A, OP1, Ta) & (1)	SO 3.1 & 4.2	Water quality standards met	Test results, SANS 241	% compliance	90%	90%
2. Non-Revenue Water	MO A, OP1, Ta) MO B, OP2, Ta)	SO 2.4 & 4.2	Reduced levels of unaccounted for water (UAW)	Water lost as a % of total water produced	%	8%	8%
3. Reliability of supply	MO A - G OP1, Ta), b) & (1) OP2, Ta)	SO 1.4 & 2.1	No unplanned interruptions to supply exceeding 24 hours	% number of days supply disrupted divided by total number of possible supply days	%	0	0
4. Financial Reporting Compliance	MO A - G	SO 1.2	Unqualified audit report	Annual external audit	Qualified / Unqualified	Unqualified Report	Unqualified Report
5. Staff Turnover	MO E	SO 1.2 & 1.6	Optimal staff retention	% Technical staff leaving	%	2%	4%
6. Board Member Attendance	MO A-DG	SO 1.6	Improved performance of statutory duties/governance	Annual attendance	%	80%	80%
7. Effective Internal Controls And Risk Management	MO B	SO 1.6	No repeat or unresolved findings	Internal audit reports	Number repeats	0	0
8. Bulk Supply Agreements Concluded With Municipalities/Other Customers	MO A, B & D OP1, Ta), b) & (1) OP2, Ta)	SO 1.4, 2.1 & 4.1	Statutory and service level agreements in place	Municipalities/other customers with bulk supply agreements	Number unresolved	0	0
					%	100%	100%

4

Performance indicators

KEY PERFORMANCE INDICATORS AND TARGETS - SEDIBENG WATER							
Performance Objective	Alignment		Outcomes /Impact	Indicators	Measure	Target	Target
	Ministerial Outcomes	DWA Strategic Plan				2014/15	2015/16
9. Improve Financial Ratios	MO A, B & D OP1, Ta), b) & c). OP2, Ta)	SO 1.2	Improved viability and sustainability	Financial ratios	Liquidity	1.566	1.789
					Gross profit margin % (primary activity)	64.2%	64.3%
					Gross profit margin % (secondary activity)	62.7%	62.7%
					Net profit margin % (primary activity)	9.89%	10.95%
					Net profit margin % (secondary activity)	5.31%	6.29%
					Debt/ Equity ratio	0.044	0.035

5

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

KEY PERFORMANCE INDICATORS AND TARGETS - SEDIBENG WATER							
Performance Objective	Alignment		Outcomes /Impact	Indicators	Measure	Target	Target
	Ministerial Outcomes	DWA Strategic Plan				2014/15	2015/16
9. Improve Financial Ratios	MO A, B & D OP1, Ta), b) & c). OP2, Ta)	SO 1.2	Improved viability and sustainability	Financial ratios	Return on assets %	7.79%	0.3%
					Debtors days #	341.25	412.9
					% increase	92.62%	85%
10. Increase BB&EE Spend	MO D & G	SO 1.1 & 1.2	Spend increased and increased new entrants	% of spend increased and # of increased new entrants	# new entrants	6	12
							15

6

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

KEY PERFORMANCE INDICATORS AND TARGETS, SEDIBENG WATER							
Performance Objective	Alignment		Outcomes /Impact	Indicators	Measure	Target	Target
	Ministerial Outcomes	DWA Strategic Plan				2014/15	2015/16
11. Manage Costs Within The Approved Budget	MO D	SO 1.2	No over expenditure/losses	Financial reports	% variance	5%	5%
12. Capital Expenditure	MO E MO A, B & D	SO 1.2 & 3.2	Infrastructure available to meet demands	Overall project expenditure within R target	% variance	95%	95%
					% Completion	80%	80%
13. Increased Access to Services	MO A, B & D OP1, Ta, b) & c), OP2, Ta	SO 1.4; 1.6; 2.1; 2.3 & 3.2	Contribution to national objectives	CAPEX spend /projects	CAPEX spend or number of expansion projects	R159.7 M	R60.6 M
14. Engagement in secondary Activities	MO OP 2 & MO D	SO 1.4; 1.6 & 3.2	Extent of involvement		% of total turnover	12%	12%

7

WATER IS LIFE. SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

KEY PERFORMANCE INDICATORS AND TARGETS, SEDIBENG WATER							
Performance Objective	Alignment		Outcomes /Impact	Indicators	Measure	Target	Target
	Ministerial Outcomes	DWA Strategic Plan				2014/15	2015/16
15. Achieve Statutory Reporting Compliance	MO A, B & D OP1, Ta, b) & c), OP2, Ta	SO 1.2 & 1.6	Reporting compliance achieved	Statutory submissions made on time	Submission dates met/missed	100%	100%
16. Jobs Created	MO A, D, E & G	SO 1.1; & 1.3	Permanent and contract (direct)	Total Number	Number	25	30
	MO A-G	SO 1.1; & 1.3	Temporary (indirect)	Total Number	Number	40	50
17. Corporate Social Responsibility Initiatives	MO E	SO 1.2, 1.4 & 1.6	Good corporate citizenship	Number of initiatives	Number	12	12
18. Training And Skills Development	MO E	SO 1.1; 1.3 & 2.2	Skills and capacity building	Training courses, learnerships, bursaries	Total Number	250	250
19. Good Governance	MO E, F & G	SO 1.2 & 1.6	Improved controls and risk mitigation	Breaches of materiality and significance framework	Number	0	0
20. Involvement in DWA IWSS projects	MO B (Opt 2), E & F	SO 1.2 & 1.6	Assist and support water sector initiatives	Number of initiatives	Number	24	24

8

WATER IS LIFE. SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Spending focus (CAPEX or other types of projects) – Internally Funded

DESCRIPTION	AMOUNT
TECHNICAL CIVIL PROJECTS	R
Construction of four new sludge dams Virginia	3,000,000
Upgrade Buisfontein-Tsweleng bulk supply	52,000,000
TOTAL – CAPITAL PROJECTS	55,000,000
OTHER ASSETS	
IT equipment	3,052,500
Vehicles and other moving equipment	6,162,000
Extensions and Refurbishment of Buildings & Pumpstations	
Electrical Equipment, PLC's Scada and Cathodic Protection	4,945,000
Refurbishment and Replacement of Pumps	7,571,900
Total movable Assets	18,731,400
GRAND TOTAL	76,731,400

9

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Baseline budget for 14/15 and Budget allocation 2015/16

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME				
	Budgeted 2015/2016	Budgeted 2014/2015	Difference	Difference
	R'000	R'000	R'000	%
Volume of treated water sold (in Kl'000)	93,930	89,200	4,730	5.30%
REVENUE	906,538	793,889	112,649	14.19%
Cost of sales (Raw water purchased)	303,928	259,363	44,565	17.18%
Gross Profit	602,610	534,527	68,083	12.74%
Other operating income	21,966	19,062	2,904	15.23%
Operating & administrative expenses	654,584	588,464	66,120	11.24%
Salaries & wages	215,005	199,013	15,992	8.04%
Electricity	132,961	117,827	15,134	12.84%
Maintenance	33,274	33,970	-696	-2.05%
Purification	32,548	30,357	2,191	7.22%
Depreciation and Amortisation	110,205	87,557	22,648	25.87%
Other administrative expenses	130,591	119,741	10,850	9.06%
Operating profit before interest	(30,008)	(34,875)	4,867	-13.96%
Net finance charges	22,250	8,048	14,202	176.47%
Net profit after interest and grants	(7,758)	(26,827)	19,069	-71.08%

10

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za


Jobs created 2014/15 and 2015/16

Type	2014/2015	2015/2016
Permanent and contract (direct)	31	25
Temporary (indirect)	371	750

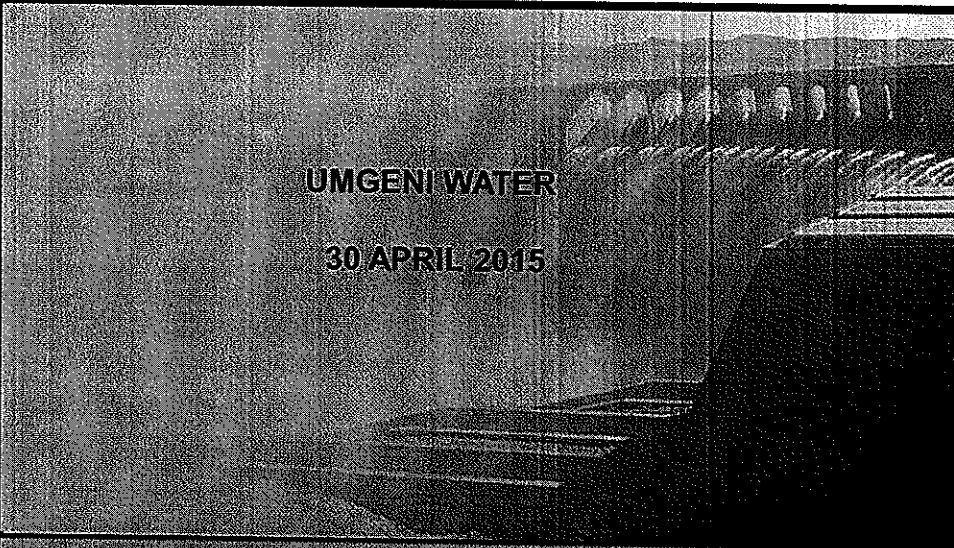
11

WATER IS LIFE / SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za



water & sanitation
Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA



UMGENI WATER

30 APRIL 2015

WATER IS LIFE / SANITATION IS DIGNITY

12

UMGENI WATER

Table of Contents

1. Strategic objectives
2. Performance indicators
3. Spending focus (CAPEX or other types of projects)
4. Baseline budget for 14/15 and Budget allocation 2015/16
5. Jobs created 2014/15 and 2015/16

13

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.uma.gov.za

Umgeni Water strategic thrusts

- Leveraging the opportunities presented by the National Development Plan (NDP) and Regional / Integrated planning, Umgeni Water will develop regional infrastructure that will improve and increase access.
- At the same time, the organisation will continue to ensure there is sustainable investment in refurbishment and maintenance of existing infrastructure through a focused asset management strategy.
- Umgeni Water remains ever mindful of the issues faced by customers, particularly rural municipalities, in terms of capacity, vulnerability and challenges with serving a large indigent consumer base. As a result, the entity will develop response plans and proactively provide support to customers to improve service delivery.
- Improving and expanding the entity's communications function has been identified as essential to improving corporate communications, marketing and branding, whilst enhancing relationships with the full range of customers and stakeholders.
- Reconciling supply and demand and planning for long-term water resources adequacy / supply sustainability is deemed critical to avoid the woes faced by the energy sector.

14

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.uma.gov.za

Umgeni Water strategic thrusts

- Furthermore, establishing a water demand management business unit, with concomitant projects benefiting municipalities, will help address the high reticulation water loss / non-revenue water (NRW) that is impacting on the entire water resource value-chain sustainability.
- The entity will continue in this period to strengthen the transformation agenda, including Broad Based Black Economic Empowerment (BBBEE), Contractor Participation Goals (CPGs) and Employment Equity (EE) by driving an agenda that supports inclusivity and reduces inequality and unemployment.
- Umgeni Water's strategy can only be achieved by ensuring effective and efficient management of the income statement, balance sheet and cash flows, all envisaged to be strengthened and significantly leveraged during this period.
- Integration of business systems and responsiveness will be improved, including Engineering, Procurement, Construction Management (EPCM), Enterprise Resource Planning (ERP), risk and governance systems. Resiliency will also be improved to respond to vandalism and theft, impacts on security of infrastructure, encroachment and other trends.
- Underpinning the strategy will be leadership, management and staff competencies, capacity and skills, which will be improved and grown in this period. There will be added focus on improving operational process, mechanical and electrical engineering skills and enhancing mentoring and succession planning. Social cohesion in the organisation will be especially driven towards ensuring a non-racial, non-sexist and inclusive society.

15

Summary of indicators

- Umgeni Water has measurable goals, objectives, outcomes, indicators and targets: *Four (4) goals and four (4) Balanced Scorecard Perspectives, nine (9) Strategic Objectives, and nine (9) Key Performance Indicators*, the latter expounded through *seventy-seven (77) result indicators and ten (10) outcomes* indicative of sustainable water utility. *Thirty-nine (39) indicators* are required for the Shareholder Compact (SHC) for 2015/2016.

16

Umgeni Water Strategic Goals

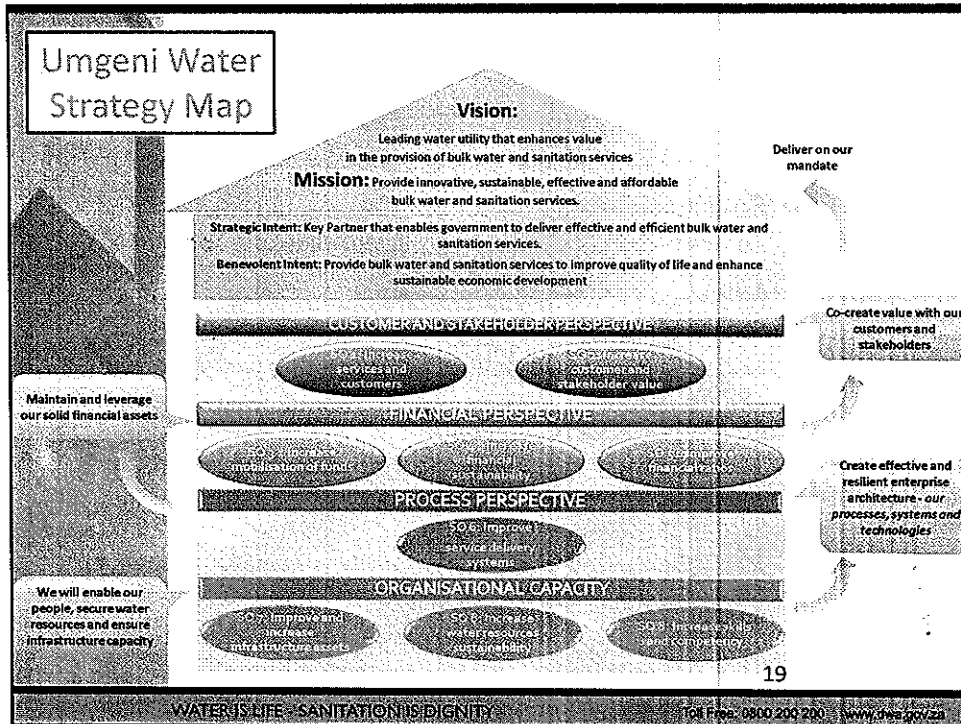
- **Strategic Goal 1**
Develop strategic partnerships, increase support to customers, improve visibility and be a regional leader in the provision of bulk water and sanitation services.
- **Strategic Goal 2**
Expand and improve funding collaborations whilst managing key cost drivers.
- **Strategic Goal 3**
Remove system constraints and blockages through innovative thinking and improve efficiency of all inputs.
- **Strategic Goal 4**
Strengthen and develop quality human resources, infrastructure capacity and water resources sustainability to support growth.

17

Performance Indicators

SO1	KPI 1: The extent to which UW has grown its services and customers.
SO2	KPI 2: The extent to which customer and stakeholder needs have been met.
SO3	KPI 3: Increased funding collaboration and funds mobilised for sustainable growth, expansion and access.
SO4	KPI 4: The extent to which there are sustainable financial returns for each system, area, region and the organisation
SO5	KPI 5: Ratios for financial viability and sustainability met
SO6	KPI 6: The extent to which business processes, policies and systems are enabling strategy implementation
SO7	KPI 7: Infrastructure expenditure within target cash flows and completion dates.
SO8	KPI 8: Sustainable water resource options identified for all systems.
SO9	KPI 9: Effectiveness and efficiency of employee training and development programmes.

18



PRESENTATION TITLE

Spend focus area – Capital Expenditure (Capex)

Summary of 30 Year Capex Programme

CAPEX CATEGORY	Business Plan 2016	% of total capex	Business Plan 2015	% of total capex
	R'000		R'000	
Augmentation	8 108 635	41%	7 247 451	42%
Expansion	819 367	4%	743 000	4%
Upgrade	3 003 653	15%	2 128 867	12%
Rehabilitation	490 754	2%	398 376	2%
Development Projects	6 463 241	33%	5 974 319	35%
Equipment & Vehicles	217 727	1%	184 237	1%
Information Communication & Technology	417 208	2%	331 890	2%
Laboratory & Process Services	174 883	1%	142 987	1%
	19 695 468		17 451 427	

TOTAL: increase from 2015 BP is R2544m due to new projects of R1243m, repricing of projects due to better estimates of costs from tender prices and scope redefinition offset by the cancellation of the UNWP of R1.4bn. The new projects are aimed at upgrading critical assets in order to also ensure compliance with Bulk Supplier Agreements, water resource assurance, improved customer relations and growth (Impendle, Table Mountain BWSS)

20

WATER IS LIFE - SANITATION IS DIGNITY | Toll Free: 0800 200 200 | www.umgeni.co.za

PRESENTATION TITLE

Spend focus area – Capital Expenditure (Capex)
Summary of Investment in Capex for the period 2015 to 2020
Cashflow Analysis

CAPEX CATEGORY	CASHFLOWS UNESCALATED						
	Total	Forecast					
	2015 - 2020	F15	F16	F17	F18	F19	F20
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Augmentation	1 286 974	127 683	210 013	286 494	188 914	163 870	290 000
Expansion	432 517	4 933	37 285	205 090	150 960	34 000	250
Upgrade	2 260 216	423 302	673 927	620 085	231 943	145 648	165 310
Renovation	335 997	208 567	68 127	50 302	9 000		
Development Projects	3 130 213	510 349	843 464	571 291	322 359	372 751	110 600
IMMOVABLE	7 448 917	1 874 834	1 832 815	1 733 261	903 175	736 289	965 560
Business Plan 2014/15	6 003 516	1 654 831	1 439 535	1 290 854	779 877	405 633	470 250
% Increase / (Decrease)	24%	1%	22%	44%	16%	81%	20%
Equipment & Vehicles	51 460	2 855	12 105	4 800	2 000	30 000	
Information Communication Technology	283 860	136 037	111 163	14 200	19 460	2 000	2 000
Laboratory & Process Services	54 969	27 626	5 553	9 305	3 225	6 250	3 010
MOVABLE	390 289	167 518	128 821	24 000	24 685	38 250	15 010
Business Plan 2014/15	320 274	103 167	79 587	39 831	46 235	17 290	34 104
% Increase / (Decrease)	22%	6%	62%	-35%	-47%	121%	85%
TOTAL CAPITAL BUDGET	7 839 206	1 842 352	1 961 636	1 757 261	927 860	774 539	970 570
Business Plan 2014/15	6 329 190	1 755 056	1 570 142	1 240 545	826 112	423 979	604 354
Increase / (Decrease)	1 509 016	87 296	392 494	520 722	101 748	350 541	366 216
% Increase / (Decrease)	24%	5%	25%	42%	12%	83%	13%

21 WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za

PRESENTATION TITLE

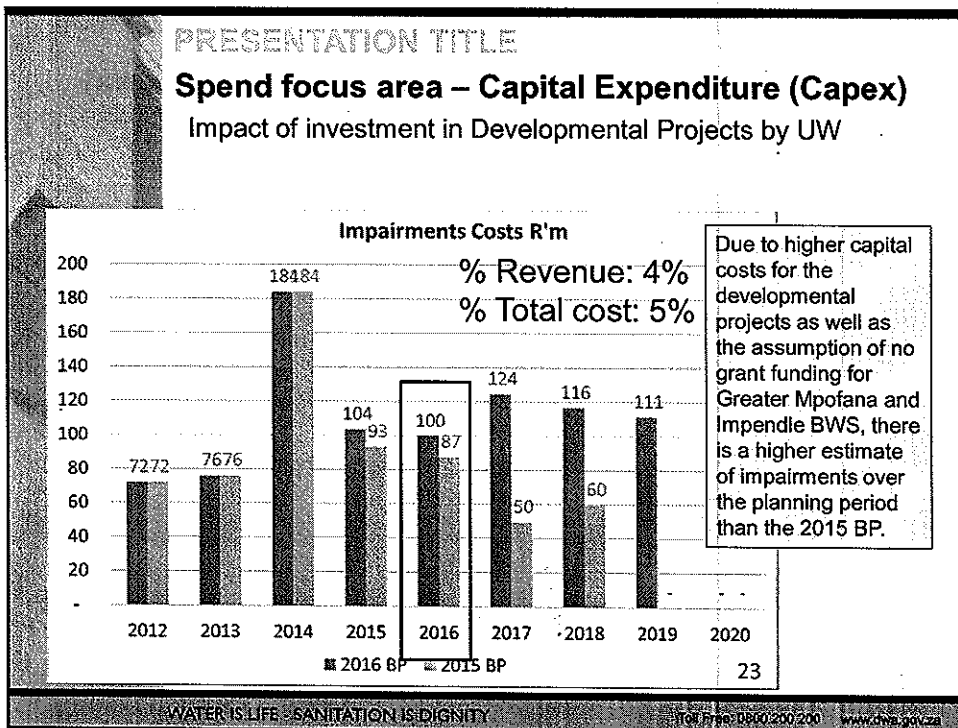
Spend focus area – Capital Expenditure (Capex)
Grant Funding for developmental projects

Project	Project Funding R x 1000(*)			Analysis of RBIG Funding			
	Total	Source		Total RBIG (DWA)	Invoiced to date Feb'15	Confirmed but not yet Invoiced	Not confirmed
		DWA	UW				
Projects started with confirmed Grant Funding	3 164	1 767	1 397	1 767	580	965	222
Projects Started with no confirmation of grant funding	997	161	836	161	0	0	161
New capex projects with no confirmed grant funding	364	0	364	0	0	0	0
Projects to start on Confirmation of RBIG	1 938	1 938	0	1 938	0	0	1 938
Total Business Plan 2016	6 463	3 866	2 597	3 866	580	965	2 321
	100%	60%	40%	100%	25%	25%	60%

Required Grant funding for the developmental projects is R3.9bn. To date R1.5bn has been confirmed. UW will continue to engage with DWS to secure the remaining funding.

22

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za



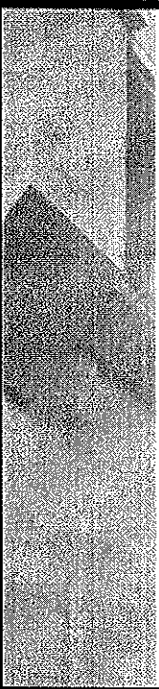
Baseline budget for 14/15 and Budget allocation 2015/16

	FY 14 Actual Act	FY 15 Bud	FY 15 Forecast	Inc / (Dec) on 2014 %	FY 16 Bud	Inc / (Dec) %
Revenue	R'm 2 187	R'm 2 111	R'm 2 237	2.3	R'm 2 379	6.3
S2g	1 899	2 062	2 116	11%	2 345	10.8%
S3g	288	49	121	-58%	34	-72%
Direct Cost	1 035	855	987	25.4	1 039	5.3
S2g	763	815	881	15%	1 010	15%
S3g	272	40	106	-61%	29	-73%
Gross Profit	1 152	1 256	1 250	8.5	1 340	7.2
GP%	52.7%	59.5%	55.9%		56.3%	
Other Income	28	6	30	7.1	8	(73.3)
Admin Cost	585	638	641	9.6	747	16.5
Operating Profit	595	624	639	7.4	602	(5.9)
Net Finance Costs	(77)	(7)	(23)	(70.1)	70	(404.3)
Net Profit	672	631	662	(1.5)	532	(19.8)
NP%	30.7%	29.9%	29.6%		22.3%	

BASELINE BUDGET (REVISED FORECAST) →

24

WATER IS LIFE - SANITATION IS DIGNITY | Tel: Free 0800 200 200 | www.dwa.gov.za




Jobs created 2014/15 and 2015/16

- Actual for 2014/15 Quarter Two (cumulative):
 - Capex programme: 638;
 - Section 30: 260 (32 – Adopt-a- River; 124 – Working for Water; 104 – Greater Mbizana BWSS)
- Targets for 2014/15 year end (Q4) are:
 - Capex programme: 450;
 - Section 30: 499 (49,420,30)
- Targets for 2015/16 year end (Q4) are
 - Capex programme: >= 600

25

WATER IS LIFE SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za

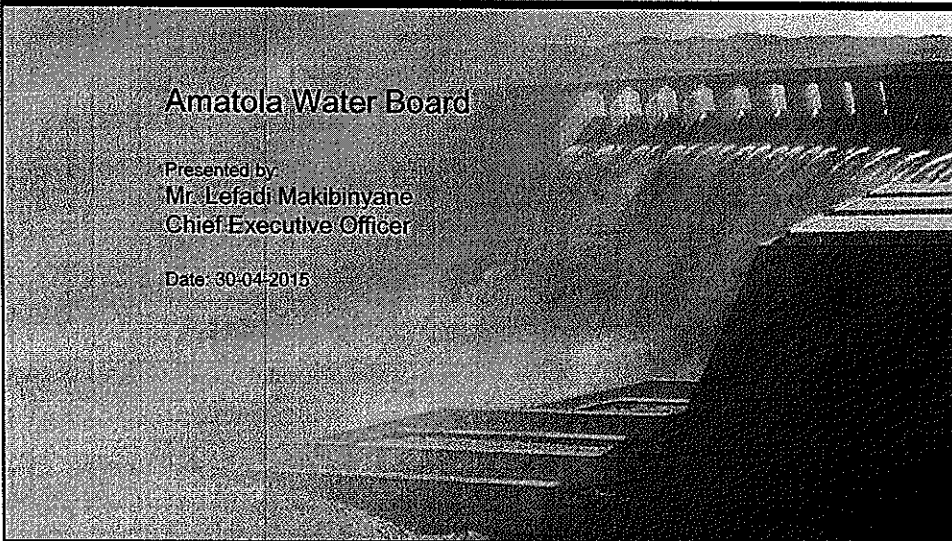


water & sanitation
Department
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Amatola Water Board

Presented by:
Mr. Lefadi Makibinyane
Chief Executive Officer

Date: 30-04-2015



WATER IS LIFE SANITATION IS DIGNITY 26

Amatola Water Board
Overview

- Strategic objectives
- Performance indicators
- Spending focus (CAPEX or other types of projects)
- Baseline budget for 14/15
- Budget allocation 2015/16
- Jobs created 2014/15 and 2015/16

27

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.ama.gov.za

Amatola Water Board
Strategic Objectives
 20 Year Strategic Objectives

WSU Area	20 Year Goal
Customer Satisfaction	80% of WSA's in the province as contracted customers through ownership or ROU
Water and Wastewater Quality	Achieve Blue and Green Drop standard at all bulk works - (owned and ROU)
Water and Wastewater Quality	Providing accredited laboratory water services to all WSA's AW has bulk supply contracts with
Community/Environmental Sustainability	Contribute to decent living standards and enhance socioeconomic development within communities in EC through quality adequate water services
Stakeholder Relationships and Support	Strong and well established relationships with stakeholders – internal and external
Stakeholder Relationships and Support	To be the center of a fully-fledged provincial water utility (IRR)
Financial Viability	Improve solvency, liquidity and profitability to achieve a AAA- Finch rating
Water Resource Adequacy	98% Assurance of Supply at a minimum service level of 750l per household per day
Infrastructure Stability	98% Availability and assurance of Water Supply and 90% reliability of sanitation services
Infrastructure Stability	80 % of the Eastern Cape infrastructure master plan implemented
Operational Resiliency	Fully implemented business continuity system (IMS, Quality systems, Knowledge Management)
Operational Optimization	Continuous alignment of People, Skills, Systems, Policies and Procedures for Strategy Implementation
Operational Optimization	Continuous improvement philosophy institutionalized
Leadership and Employee Development	Enhance Strategic Effectiveness
Leadership and Employee Development	Innovative, Nationally recognized Water Sector Leadership
Leadership and Employee Development	Balanced, skilled work force for Regional Water Utility needs
Leadership and Employee Development	Renowned knowledge and experience hub in the water sector

28

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.ama.gov.za

Amatola Water Board Strategic Objectives 5 Year Objectives

BSC	WSU Area	20 Year Goal	5 Year Objectives	Obj No.	Alignment	
					Gov Out	DWS Obj
Stakeholder & Customer Perspective	CS	90% of WSA's in the province as contracted customers through ownership or ROU	2 additional Bulk water supply contracts with WSA's (4 currently)	CS1	12	SO2.1
	CS		Increase Revenue volumes to 150 mega litres per day	CS2	12	SO2.1
	CS		Manage key customer satisfaction scores in terms of bulk potable water supply, bulk waste water, raw water and water resource infrastructure management to achieve 8/10	CS3	9	SO2.1
	CS		Acquire 2 contracts for Waste-water works	CS4	12	SO2.1
	WQ	Achieve Blue and Green Drop standard at all bulk works - (owned and ROU)	Achieve Statutory Quality compliance at All AW Owned and all ROU plants within 3 years of take over	WQ1	9	SO3.1
	WQ	Providing accredited laboratory water services to all WSA's AW has bulk supply contracts with	Achieve and maintain accreditation for 30 water quality parameters at laboratory	WQ2	9	SO3.1
	CE	Contribute to decent living standards and enhance socioeconomic development within communities in EC through quality adequate water services	Increase the number of schemes with capacity at 75kl per household per day at treatment works to 7	CE1	8	SO2.1
	SS	Strong and well established relationships with stakeholders – internal and external	Increase the contribution to economic transformation and improve overall AW image	SS1	12 & 9	SO1.3
	SS		Collaboration to improve service delivery with other relevant Local, Provincial and National institutions	SS2	12	SO2.1
	SS	To be the centre of a fully-fledged provincial water utility (RPL)	Influence and support the process and model for a Regional Water Utility in the Province	SS3	6 & 12	SO1.6 SO2.1

29

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za

Amatola Water Board Strategic Objectives 5 Year Objectives

BSC	WSU Area	20 Year Goal	5 Year Objectives	Obj No.	Alignment	
					Gov Out	DWS Obj
Financial	FV	Improve solvency, liquidity and profitability to achieve a AAA- Finch rating	Ongoing strengthening of Balance Sheet to provide sustainable bulk water services (Ratios)	FV1	12	SO1.8 SO1.2
	FV		Build contribution R100 million from financial surpluses for internal infrastructure investment/capex fund	FV2	12 & 6	SO1.6 SO2.1
	FV		Secure R200 of funding for infrastructure development	FV3	12 & 6	SO1.6 SO2.1
	FV		Sustainable & Affordable Tariff increases within 2% of inflation	FV4	12 & 8	SO1.6
Internal Processes	WA	90% Assurance of Supply at a minimum service level of 750l per household per day	Until institutional reassignment and reform AW is not responsible for this function and therefore there is no relevant 5 year objective at this time			
	IS	98% Availability and assurance of Water Supply and 90% reliability of sanitation services	98% Availability of water supply for all bulk water services	IS1	8	SO2.1
			Yearly improvement of 20% in bulk sanitation services availability	IS2	8	SO2.1
	IS	90 % of the Eastern Cape infrastructure master plan implemented	Complete AW Plant Upgrade and XSD PI Projects	IS3	6	SO2.1
	IS		Develop an fully integrated provincial master plan including funding considerations	IS4	6	SO2.1
	IS		Minimize production and distribution losses to 12%	IS5	6 & 10	SO2.2 & SO4.1
	OR	Fully implemented business continuity system (BIS, Quality systems, Knowledge Management)	Business continuity system implemented	OR1	12	SO1.2 SO1.8
	OO	Continuous alignment of People, Skills, Systems, Policies and Procedures for Strategy Implementation	Aligning People, Skills, Systems, Policies and Procedures for Strategy Implementation	OO1	12 & 4	SO 1.1 SO1.6
	OO	Continuous improvement philosophy Institutionalized	Implement continuous improvement system – IBS (Prioritize high risk areas)	OO2	12	SO 1.2 SO1.6
	OO		Improving corporate governance	OO3	6 & 12	SO3.1 & SO1.2
	LG	Enhance Strategic Effectiveness	90% of Strategic Implementation	LG1	12	SO1.6

30

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za

Amatola Water Board
Strategic Objectives
5 Year Objectives

BSC	WSU Area	20 Year Goal	5 Year Objectives	Alignment		
				Obj No.	Gov DWS Out	DWS Obj
Learning and Growing	LG	Balanced, skilled work force for Regional Water Utility needs	Alignment between staff skills available and job requirements	LG2	12	SO1 1
	LG	Innovative, Nationally recognized Water Sector Leadership	Entrenched Batho Pele Principles	LG3	12	SO1 1
	LG		Research and position papers completed	LG4	12	SO1 1
	LG	Renowned knowledge and experience hub in the water sector	Functional, self-funding technical learning academy	LG5	12	SO1 1 SO1 3

31

WATER IS LIFE - SANITATION IS DIGNITY | Toll Free: 0800 200 200 | www.dws.gov.za

Amatola Water Board
Strategic Objectives
Catalytic Initiatives

1. Influence and support the process and model for a Regional Water Utility in the Province
2. Develop a fully integrated provincial master plan including funding considerations
3. Increase the relevance of AW as an institution and improve overall image
4. Complete AW Plant Upgrade and KSD PI Projects
5. Entrenched Batho Pele Principles

32

WATER IS LIFE - SANITATION IS DIGNITY | Toll Free: 0800 200 200 | www.dws.gov.za

Amatola Water Board
Performance Indicators
Five Year Performance Indicators

BSC	No.	Objectives	Measure / Indicator	DWS	Cat	Baseline	Y1	Y2	Y3	Y4	Y5
Customer & Customer Perspective	CS1.1	2 additional bulk water supply contracts with WSA in (a currency)	Number of bulk potable with different WSA (Owned or ROU)	N	OP	4	4	5	6	8	8
	CS2.1	Increase Revenue volumes to 150 mega litres per day	Volume of Water Sold by owned and ROU plants	N	OC	110 kintdy	120	130	135	145	150
	CS3.1	Manage key customer satisfaction scores in terms of bulk potable water supply, bulk waste-water, raw water and water resource infrastructure management to achieve 8/10	Average Customer satisfaction score	N	OC	7.9	8.5	7	7.5	8	8
	CS4.1	Acquire 2 contracts for Waste water works	No of Waste Water Works managed	N	OP	0	1	1	2	2	2
	WQ1.1	Achieve Statutory Quality compliance at all AW Owned and as ROU plants within 3 years of take over	% Compliance SATES potable water Owned and ROU)	Y	OC	98.40%	98%	98%	98%	98%	98%
	WD1.2		% Compliance with effluent license standards (Owned and ROU)	N	OC	79	79	60%	55%	60%	70%
	WQ2.1	Achieve and maintain accreditation for 30 water quality parameters at laboratory.	Number of elements accredited for.	N	OP	0	10	15	20	25	30
	DE1.1	Increase the number of schemes with capacity at 70 per household per day at treatment works to 70	Number of AW Schemes with capacity to supply 70l per household per day at treatment works	N	OC	2	5	8	8	8	8
	DE1.2	DWS	No Permanent and contract employees (Direct) (Jobs created)	Y	OC	-	355	355	375	385	400
	DE1.3	DWS	No of Temporary Jobs Created (Direct)	Y	OC	879	600	650	600	200	150
	SS1.1	Increase contribution to economic transformation and improve overall AW image	Percentage spend with 50% black owned companies	N	OP	-	75%	75%	80%	85%	90%
	SS1.2		% Creditors paid within 30 days of interest date	N	ACT	76%	95%	95%	95%	95%	-
	SS1.3		No of AW positive uncommissioned articles in press or publications	N	OP	-	6	8	10	12	12
	SS2.1	Collaboration to improve service delivery with other relevant Local, Provincial and National institutions	No of Collaboration meetings attended with relevant Local, Provincial and National institutions	N	ACT	-	14	16	24	24	24
	SS3.1	Influence and support the process and model for a Regional Water Utility in the Province	Participation in RFR Workshops	N	ACT	4	4	4	4	4	4

33

WATER IS LIFE. SANITATION IS DIGNITY. Toll Free: 0800 200 200 www.dwa.gov.za

Amatola Water Board
Performance Indicators
Five Year Performance Indicators

BSC	No.	Objectives	Measure / Indicator	DWS	Cat	Baseline	Y1	Y2	Y3	Y4	Y5
Financial Perspective	FV1.1	On-going strengthening of Balance Sheet to provide sustainable bulk water services (Ratios)	Liquidity Ratios: Current ratio	Y	OP	1.13	1.25	1.5	1.5	1.75	1.75
	FV1.2		Debtors Days	Y	OP	122	90	75	60	60	60
	FV1.3		Employee to revenue (R Million)	N	OP	R0.75 mil	R1.1 mil	R1.3m	R1.5 mil	R1.7 mil	R1.0m
	FV1.4		Solvency ratio	N	OP	1.99	1.5	1.7	1.8	1.9	2
	FV1.5		Return on assets %	Y	OP	4.80%	3%	3.50%	4%	4.50%	5%
	FV1.6		Net profit margin % (A3)	Y	OP	8%	3.50%	4%	4.50%	5%	5%
	FV1.7		Gross profit margin % (A3)	Y	OP	34%	30%	30%	35%	40%	45%
	FV1.8		Total expenditure R in 000	Y	OP	R312	R400	R500	R600	R700	R800
	FV1.9		BBBEE spend	Y	OP	100%	100%	100%	100%	100%	100%
	FV1.10		Chemical Cost (R/KL)	N	OP	0.28	0.35	0.4	0.45	0.5	0.52
	FV2.1	Build contribution of R100 million from financial surplus for internal infrastructure investment/capex fund	Revenue in Rands (in million rands)	Y	OC	R338	R370	R400	R500	R600	R700
	FV2.2		Surplus in Rands (in Million)	N	OC	R31	R30	R35	R40	R45	R50
	FV2.3		Percentage of surplus placed in reserve fund	N	OP	60%	60%	60%	60%	60%	60%
	FV2.4		% Primary Revenue / Total Revenue	Y	OP	66%	65%	70%	72%	74%	75%
	FV2.5		% Labour costs of total costs	Y	OP	39%	38%	37%	36%	35%	35%
FV3.1	Secure R800 of funding for infrastructure development	Amount of Grant funding, capital lending and development agency funding secured	N	OC	R0	R350 mil	R100 mil	R100	R100	R150	
FV4.1	Sustainable & Affordable Tariff increases within 2% of inflation	% average increase of tariff (within government targeted inflation)	N	OC	9%	8%	8%	8%	8%	8%	

34

WATER IS LIFE. SANITATION IS DIGNITY. Toll Free: 0800 200 200 www.dwa.gov.za

Amatola Water Board
Performance Indicators
Five Year Performance Indicators

BSC	No	Objectives	Measure / Indicator	DWS	Cat	Baseline	Y1	Y2	Y3	Y4	Y5
Internal Processes	IS1.1	90% Availability of water supply for all bulk water services	% availability of water supply for all bulk services	Y	OP	-	98%	98%	98%	98%	98%
	IS2.1	Yearly improvement of 20% in bulk sanitation services availability	% availability of bulk sanitation services	N	OP	-	n/a	n/a	50%	60%	70%
	IS3.1	Complete AW Plant Upgrade and PSL Projects	% annual grant allocations spend KSD (RBig % MK)	N	OP	-	90%	90%	90%	95%	100%
	IS3.2		Overall capex project completion dates within targets as a percentage	N	OP	63%	85%	85%	85%	85%	85%
	IS3.3		Increased access to services measured by Rand spend on Capex Projects	Y	OC	R8.7 Ml	R350 M	R100 M	R100 M	R100 M	R100 M
	IS3.4		% Infrastructure Maintenance of Revenue	N	OP	8%	6%	6%	6%	6%	6%
	IS4.1	Develop an fully integrated provincial master plan including funding considerations	% of Eastern Cape Master Plan complete as per milestones	N	OP	-	50%	80%	100%	100%	100%
	ISS.1	Minimize production and distribution losses to 12%	% total water loss AW Owned and ROU	Y	OP	10%	12%	12%	12%	12%	12%
	OR1.1	Business continuity system implemented	Approved BCP and DRP	N	OP	-	Y	Y	Y	Y	Y
	OO1.1	Aligning People, Skills, Systems, Policies and Procedures for Strategy Implementation	Number of policies reviewed and aligned with strategy	N	OP	1	5	6	5	5	6
	OO2.1	Implement continuous improvement system	Number of reviewed Systems and Procedures aligned with strategy	N	OP	-	3	3	3	3	3
	OO2.2		Open Tender turnaround time in days from approval of specification by BSC to acceptance of award by contractor	N	OC		100	96	90	90	90
	OO2.3		Improve turnaround time from Requestion to issuance of order	N	ACT		17	14	11	9	7
	OO2.4		Electricity Cost (kwh/m3)	N	OP	0.86	0.86	0.85	0.84	0.83	0.82
	OO3.1	Improving corporate governance	In-qualified Audit	N	OC	Y	Y	Y	Y	Y	Y
	OO3.2		Effective internal controls and risk management Internal audit findings: Number Repeats	Y	OP	67	20	15	10	8	5
	OO3.3		Effective internal controls and risk management Internal audit findings: Number unresolved	Y	OP	35	30	25	25	25	25
	OO3.4		% Compliance to NRG #1	N	OP	88%	90%	93%	95%	96%	100%
OO3.5		Board member attendance	Y	ACT	72%	80%	80%	80%	80%	80%	
OO3.6		Improved controls and risk mitigation. Indicated by number of breaches of materiality and significance framework	Y	OP	0	0	0	0	0	0	

35 WATER IS LIFE - SANITATION IS DIGNITY Tel Free: 0860 200 200 www.ama.gov.za

Amatola Water Board
Performance Indicators
Five Year Performance Indicators

BSC	Obj No.	Objectives	Measure / Indicator	DWS	CAT	Baseline	Y1	Y2	Y3	Y4	Y5
Learning and growth Quadrant	LG1.1	80% of Strategic Implementation	% Achieved of the Corporate Scorecard Targets	N	OC	83%	70%	75%	80%	85%	85%
	LG1.2		Average Divisional Performance Review Scores (Implementation Divisional BPs)	N	OC	2.7	3	3	3	3	3
	LG2.2	Alignment between staff skills available and job requirements	% identified critical posts filled by predetermined recruitment time	N	OP	80%	80%	80%	80%	80%	80%
	LG2.3		% of training spend of Revenue	N	OP	-	1%	1%	1%	1%	1%
	LG2.4		% Staff Turnover	Y	OP	13%	8%	8%	7%	8%	8%
	LG2.5		Total Number Of staff who attended Training courses, learner-ships, bursaries in the period	Y	OP	238	200	200	250	250	250
	LG3.1	Entrenched Batho Pele Principles	Staff survey rating of living Batho Pele Principles (Out of 5)	N	OC	n/a	3	3.5	3.5	3.7	4
	LG4.1	Research and position papers completed	The no. of research papers & conference presentations by AW employees	N	OP	n/a	1	3	5	5	5
	LG5.1	Functional, self-funding technical learning academy	No. of learners enrolled at academy	N	OC	n/a	20	40	60	80	100

36 WATER IS LIFE - SANITATION IS DIGNITY Tel Free: 0860 200 200 www.ama.gov.za

Amatoia Water Board Performance Indicators Balance Scorecard 2015/2016

ISIC	No	Objectives	Measure / Indicator	DWS	GAT	Baseline	Y1 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Unit	Resp
Sustainable & Customer Perspective	CS1.1	2 additional Bulk water supply contracts with WSA's (4 contracts)	Number of bulk potable with different WSA's (Owned or RCU)	N	OP	4	4	4	4	4	4	N	PRD
	CS2.1	Increase Revenue volumes to 150 mega litres per day	Volume of Water Sold by owned and RCU plants	N	OC	110 Ml/day	120	120	120	120	120	N	OPS
	CS3.1	Manage key customer satisfaction issues in terms of bulk potable water supply, bulk waste water, raw water and water resource infrastructure management to achieve 75%	Average Customer satisfaction score	N	OC	n/a	n/a	n/a	8	n/a	n/a	N	CEO
	CS4.1	Secure 2 contracts for Waste water works	No of Waste Water Works greater than 5M managed	N	OP	0	0	1	1	1	1	Y	CEO
	WQ1.1	Achieve Statutory Quality compliance at All AW Owned and all RCU plants within 3 years of take-over	% Compliance SANS Class 1 potable water (Owned and RCU)	Y	OC	99.40%	99%	99%	99%	99%	99%	N	OPS
	WQ2.1	Obtain and maintain accreditation for 30 water quality parameters at laboratory	Number of elements accredited for	N	OP	0	10	8	8	10	10	Y	PRD
	CE1.1	Increase the number of schemes with capacity at 750l per household per day at treatment works to 7	Number of AW Schemes with capacity to supply 750l per household per day at treatment works	N	OC	2	5	3	3	3	5	Y	PRD
	CE1.2	DWS	No Permanent and contract employees (direct) (Jobs created)	Y	OC	355	355	355	355	355	355	N	CS
	CE1.3	DWS	No of Temporary Jobs Created (direct)	Y	OC	600	150	150	150	150	150	N	PRD
	SS1.1	Increase the contribution to economic transformation and improve overall AW image	Percentage spent with 60% black owned companies	N	OP	-	70%	70%	70%	70%	70%	N	Fin
	SS1.2		% Creditors paid within 30 days of settlement	N	ACT	78%	95%	95%	95%	95%	95%	N	Fin
	SS1.3		No of AW positive unopinioned articles in press or publications	N	OP	-	8	1	3	4	8	Y	CEO
	SS2.1	Collaboration to improve service delivery with other relevant Local, Provincial and National institutions	No of Collaboration meetings attended with relevant Local, Provincial and National institutions	N	ACT	-	12	3	8	8	12	Y	CEO
	SS3.1	Influence and support the process and model for a Regional Water Utility in the Province	Participation in RWR Workshops	N	ACT	4	4	1	2	3	4	Y	CEO

37

WATER IS LIFE. SANITATION IS DIGNITY. Toll Free: 0800 200 200 www.dws.gov.za

Amatoia Water Board Performance Indicators Balance Scorecard 2015/2016

ISIC	No	Objectives	Measure / Indicator	DWS	GAT	Baseline	Y1 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Unit	Resp	
Financial Perspective	FV1.1	Ongoing strengthening of Balance Sheet to provide sustainable bulk water services (Ratios)	Liquidity Ratios		Y	OP	1.13	1.25	1.25	1.25	1.25	1.25	N	Fin
	FV1.2		Current ratio		Y	OP	122	80	80	80	80	N	Fin	
	FV1.3		Debtors Days		Y	OP	92	80	80	80	80	N	Fin	
	FV1.4		Employees to revenue (R Million)		N	OP	R0.76 ml	R1.1 ml	R1.1 ml	R1.1 ml	R1.1 ml	Y	Fin	
	FV1.5		Solvency ratio		N	OP	1.20	1.5	1.5	1.5	1.5	N	Fin	
	FV1.6		Return on assets %		Y	OP	4.20%	5%	5%	5%	5%	N	Fin	
	FV1.7		Net profit margin % (NP)		Y	OP	9%	10%	10%	10%	10%	N	Fin	
	FV1.8		Gross profit margin % (GP)		Y	OP	34%	30%	30%	30%	30%	N	Fin	
	FV1.9		Total expenditure R in 000		Y	OP	R312	R400	R400	R200	R200	R400	Y	Fin
	FV1.9		BBEE spend		Y	OP	100%	100%	100%	100%	100%	100%	Y	Fin
	FV1.10		Chemical Cost (R/KL)		N	OP	0.28	0.38	0.38	0.35	0.35	0.35	Y	Fin
	FV2.1	Build contribution R100 million from financial surpluses for Internal infrastructure investments/capex fund	Revenue in Rands (in million rands)		Y	OC	R208	R270	R50	R100	R290	R370	Y	Fin
	FV2.2		Surplus in Rands (in Million)		N	OC	R51	R30	R5	R15	R22	R30	Y	Fin
	FV2.3		Percentage of surplus placed in reserve fund		N	OP	60%	60%	60%	60%	60%	60%	Y	Fin
	FV2.4		% Primary Revenue / Total Revenue		Y	OP	60%	68%	68%	68%	68%	68%	Y	Fin
FV2.5		% Labour costs of total costs		Y	OP	36%	36%	36%	35%	35%	36%	Y	Fin	
FV3.1	Secure R500 of funding for infrastructure development	Amount of Grant funding, capital lending and development agency funding received		N	OC	R0	R350 ml	R75	R150	R200	R500	Y	Fin	
FV4.1	Sustainable & Affordable Tariff increases within 2% of inflation	% average increase of tariff (within government targeted inflation)		N	OC	6%	8%	8%	8%	8%	8%	N	Fin	

38

WATER IS LIFE. SANITATION IS DIGNITY. Toll Free: 0800 200 200 www.dws.gov.za

Amatola Water Board
Performance Indicators
Balance Scorecard 2015/2016

Strat	No	Objective	Measure/Indicator	OWS	Cat	Baseline	Y1 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Std	Resp
Internal Processes	IS1.1	85% Availability of water supply for all bulk water services	% availability of water supply for all bulk services	Y	OP	-	88%	88%	88%	88%	88%	Y	OPS
	IS2.2	Complete A/W Plant Upgrade and KSD PI Projects	% annual grant allocation spend (RSD (R06 & I&D))	N	OP	-	90%	20%	40%	60%	80%	Y	P&D
	IS2.4		Overall capex project completion rates within targets as a percentage	N	OP	62%	80%	80%	80%	80%	80%	Y	P&D
	IS2.5		Increased access to services measured by Rand spent on Capex Projects	Y	OC	R2.7 M	R350 M	R75 M	R150M	R250	R300M	Y	P&D
	IS2.8		% Infrastructure Maintenance of Revenue	N	OP	8%	8%	8%	8%	8%	8%	Y	Fin
	ISE.1	Develop an fully integrated provincial master plan including funding considerations	% of master plan complete as per milestones	N	OP	-	60%	10%	20%	30%	40%	Y	P&D
	ISA.1	Minimize production and distribution losses to 12%	% total water loss A/W Owned and RCU	Y	OP	10%	12%	12%	12%	12%	12%	N	OPS
	ORI.1	Business continuity system implemented	Audited BCP and DRP	N	OP	-	Y	N	N	Y	Y	Y	CS
	OO1.1	Signify People, Skills, Systems, Processes and Procedures for Strategic Implementation	Number of policies reviewed and signed with strategy	N	OP	1	6	1	2	4	5	Y	CS
	OO2.1	Implement continuous improvement system	Number of reviewed Systems and Processes aligned with strategy	N	OP	-	6	1	2	4	5	Y	CS
	OO2.2		Open Tender turnaround time in days from advert to final award	N	OC	-	100	100	100	100	100	Y	Fin
	OO2.3		Improve turnaround time from production to issuance of code	N	ACT	-	17	17	17	17	17	Y	Fin
	OO2.4		Electricity Cost (kwh/c3)	N	OP	0.86	0.86	0.86	0.86	0.86	0.86	Y	OPS
	OO2.5	Improving corporate governance	Un-qualified Audit	N	OC	Y	Y	N/A	N/A	N/A	Y	Y	Fin
	OO3.2		Effective internal controls and risk management internal audit findings: Number Repeals	Y	OP	87	35	30	30	25	30	Y	CEO
	OO3.3		Effective internal controls and risk management internal audit findings: Number un-audited	Y	OP	35	30	40	40	30	30	Y	CEO
OO3.4		% Compliance to XBIG II	N	OP	85%	90%	90%	90%	90%	90%	Y	CEO	
OO3.6		Board member attendance	Y	ACT	72%	80%	80%	80%	80%	80%	N	CEO	
OO3.6		Improved controls and risk mitigation, indicated by number of breaches of materiality and significance framework	Y	OP	0	0	0	0	0	0	Y	Fin	

39 WATER IS LIFE SANITATION IS DIGNITY For Free: 0800 200 200 www.dwa.gov.za

Amatola Water Board
Performance Indicators
Balance Scorecard 2015/2016

Strat	Obj No	Objective	Measure/Indicator	OWS	Cat	Baseline	Y1 Target	Q1 Target	Q2 Target	Q3 Target	Q4 Target	Std	Resp
Learning and growth Potential	LGI.1	80% of Strategic Implementation	% Achieved of the Corporate Scorecard Targets	N	OC	63%	70%	70%	70%	70%	70%	N	CEO
	LGI.2		Average Divisional Performance Review Scores (implementation Divisional (IPAs))	N	OC	2.7	3	3	3	3	3	N	CEO
	LQ2.1	Alignment between staff skills available and job requirements	% Identified critical posts filled by predetermined recruitment time	N	OP	80%	80%	80%	80%	80%	80%	Y	CS
	LQ2.2		% of training spend of Revenue	N	OP	-	1%	1%	1%	1%	1%	Y	Fin
	LQ2.3		% Staff Turnover	Y	OP	13%	7%	2%	4%	6%	7%	Y	CS
	LQ2.4		Total Number Of staff who attended Training courses, mentorships, bursaries in the period	Y	OP	238	150	50	60	120	150	Y	CS
	LQ3.1	Entrenched Batho Pele Principles	Staff survey rating of living Batho Pele Principles (out of 5)	N	OC	N/A	3	N/A	N/A	3	N/A	N	CS
	LQ4.1	Research and position papers completed	The no. of research papers & conference presentations by A/W employees	N	OP	N/A	1	N/A	1	1	1	Y	CS
	LQ5.1	Functional, self-funding technical learning academy	No. of learners enrolled at academy	N	OC	N/A	20	20	20	20	20	Y	CS

40 WATER IS LIFE SANITATION IS DIGNITY For Free: 0800 200 200 www.dwa.gov.za


Amatola Water Board
SPENDING FOCUS
Five Year Capex Programme

Projects By BWS	Proposed Funding Source (R'000)			Growth Strategy Plan Projection (R'000)					Total
	Amatola Water Reserves	Loan	Grant	2016	2017	2018	2019	2020	
				Year 1	Year 2	Year 3	Year 4	Year 5	
Nahoon BWS	8,000	-	-	8,000	-	-	-	-	8,000
Sandile BWS	-	-	124,501	60,000	32,788	31,713	-	-	124,501
Debe Nek BWS	-	-	51,757	25,000	13,662	13,095	-	-	51,757
Binfield BWS	-	-	93,162	45,000	24,591	23,571	-	-	93,162
Masinedane BWS	-	-	80,740	39,000	21,312	20,428	-	-	80,740
TOTAL	8,000	-	350,160	177,000	92,353	88,807	-	-	358,160

41

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za

Amatola Water Board
BASELINE BUDGET 2014/2015



AMATOLA WATER BOARD
Revised Operating Budget
 for the year ending 30 June 2015

	Original Budget 2014/2015	Actual - YTD Dec 2014	Forecast for 12 months	Revised Budget
	R	R	R	R
Income & Expenditure				
Primary Revenue	(252,103,364)	(122,499,855)	(244,999,709)	(244,999,722)
Secondary Revenue	(109,042,652)	(44,551,436)	(89,102,872)	(109,042,674)
Total Income	(361,146,016)	(167,051,291)	(334,102,581)	(354,042,396)
Chemicals	15,973,737	7,372,209	14,744,417	12,638,665
Diesel	68,671	-	-	68,668
Electricity	33,765,269	16,480,009	32,960,018	32,339,032
Water: Bulk Purchases	72,338,645	31,024,193	62,168,387	62,168,384
Water: Research Levy	2,873,704	924,626	1,869,052	1,869,052
Direct Salaries	31,664,462	46,055,606	32,171,212	30,596,928
Cost of Goods Sold	206,685,528	101,956,543	203,918,087	189,680,767
Gross (Surplus)/Deficit	(154,460,507)	(65,094,747)	(130,189,494)	(154,961,647)
Gross Surplus Percentage	47.72%	38.97%	38.97%	43.77%
Indirect Salaries	52,651,779	25,385,376	50,770,752	52,032,329
Repairs and Maintenance	33,358,631	11,038,607	22,077,214	31,716,090
Depreciation	26,697,824	8,763,025	17,526,050	26,697,840
General Expenses	43,381,151	20,081,443	40,162,885	40,771,349
Indirect costs	156,089,585	65,268,451	130,536,902	153,217,608
Financing Income	(4,512,000)	(1,763,945)	(3,527,890)	(4,512,000)
Financing Expense	36,240	117,125	234,251	36,000
(Surplus)/Deficit for period	(2,646,682)	(1,473,116)	(2,946,232)	(6,220,039)

42

WATER IS LIFE - SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dws.gov.za

Amatola Water Board
BUDGET ALLOCATION 2015/2016

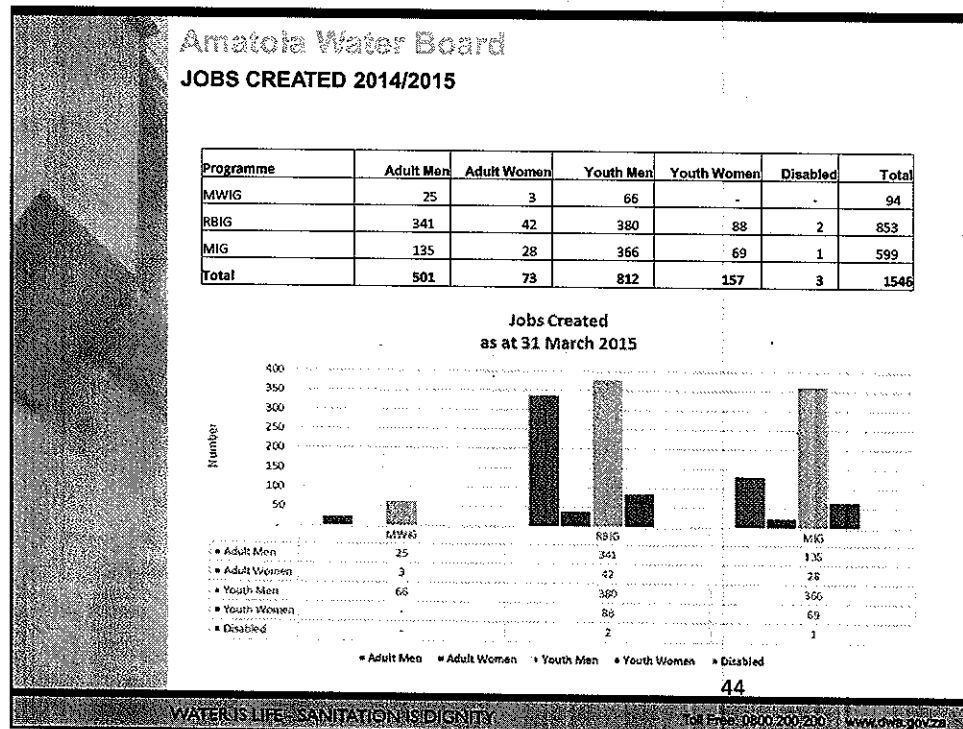

AMATOLA WATER BOARD

BUDGET PROPOSAL
CONSOLIDATED BUDGET
MEDIUM TERM EXPENDITURE FRAMEWORK PERIOD
1 July 2014 - 30 June 2017

Income & Expenditure	Original Budget 2014/2015 R	Revised Budget 2014/2015 R	Original Budget 2015/2016 R	Original Budget 2016/2017 R
Primary Revenue	(252,102,364)	(244,993,722)	(279,551,843)	(375,359,270)
Secondary Revenue	(109,042,652)	(109,042,674)	(114,417,814)	(119,761,062)
Total Income	(361,145,016)	(354,036,396)	(393,969,657)	(495,120,332)
Chemicals	15,973,737	12,638,665	16,884,240	17,846,642
Diesel	68,671	68,698	72,585	76,723
Electricity	33,766,299	32,339,032	37,959,779	57,217,983
Water: Bulk Purchases	72,338,645	42,168,384	60,295,896	107,596,500
Water: Research Levy	2,873,704	1,869,052	3,186,587	4,278,687
Direct Salaries	81,664,462	89,966,978	88,605,912	96,137,447
Cost of Goods Sold	206,685,508	199,080,749	227,045,029	283,259,981
Gross (Surplus)/Deficit	(154,460,507)	(154,963,647)	(166,924,629)	(211,966,351)
Gross Surplus Percentage	42.77%	43.77%	42.37%	42.79%
Indirect Salaries	52,851,779	52,032,329	57,344,181	62,318,436
Repairs and Maintenance	33,258,831	33,716,090	35,260,784	37,270,120
Depreciation	26,697,824	26,697,840	26,219,600	39,828,117
General Expenses	43,381,151	40,771,349	45,853,877	48,467,548
Indirect costs	156,289,585	153,217,608	166,677,941	177,784,221
Financing Income	(4,512,000)	(4,512,000)	(4,769,184)	(5,041,027)
Financing Expense	36,240	38,000	38,306	40,485
(Surplus)/Deficit for period	(2,646,682)	(6,220,039)	(4,977,565)	(39,082,669)

43

WATER IS LIFE - SANITATION IS DIGNITY Tel: 011-0800 200 700 www.twa.gov.za



water & sanitation
Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

bloemwater
naturally

BLOEMWATER
ANNUAL PERFORMANCE PLAN (APP) TO THE
PORFOLIO COMMITTEE OF WATER AND
SANITATION
DATE: 29 April 2015

Presented by: Chief Executive Dr L. Moorosi
Bloem Water

30 April 2015

WATER IS LIFE. SANITATION IS DIGNITY. 45

PRESENTATION TITLE

CONTENTS

- Strategic objectives
- Performance indicators
- Spending focus (CAPEX or other types of projects)
- Baseline budget for 14/15 and Budget allocation 2015/16
- Jobs created

46

WATER IS LIFE. SANITATION IS DIGNITY. Toll Free: 0800 200 200 www.dws.gov.za

Strategic Objectives

1. Develop, operate and maintain infrastructure to ensure sustainable water service delivery.
2. Manage financial affairs to meet current and future obligations.
3. Securing the supply and quality of raw water resources
4. Achieving an aligned, effective and efficient institution through optimization of all business processes and systems
5. Engaging in strategic partnerships with all relevant stakeholders

Note: Strategic Objectives linked to Ministerial Outcomes and DWS Goals, Support and Expectations is included in the Business Plan.

47

Performance Indicators

Performance Objective	Alignment Ministerial Outcomes	DWS Strategic Plan	Outcomes/ targets	Indicators	Measure	Actual 2013/14	Target 2014/15	Target Q1	Actual Q1	Variance	Reasons/ Corrective action
3. Water quality compliance	MO A, OP1, T4) (S, I) MO B, OP2, T4)	SO 2.5 B.3.A	Water quality standards met	Test results, SANW 241	% compliance	99%	90%	90%	Rustfontein WTW Micro : 99.9% Chemical : 99.9% Groobook WTW Micro : 99.9% Chemical : 99.9%	N/A	N/A
									Weldaan WTW Micro : 99.9% (Micro) 99.9% (Chem)	N/A	N/A
									Bethlehem WTW Micro : 99.9% Chemical : 99.9% Garep WTW Micro : 99.9% Chemical : 99.9% Philippolis WTW Micro : 99.9% Chemical : 99.9%	N/A	N/A
2. Non-revenue water	MO A, OP1, T4) MO B, OP2, T4)	SO 2.2, 2.5, 2.6, 3.2.7	Reduced levels of unaccounted for water (UAW)	Water lost as a % of total water produced	%	9.61%	13%			More frequently squaring at the plant due to high NTU – raining season System input data, leaking bypass valve to be replaced/ repaired. All electronic meters to be calibrated for verification purposes. Regul connections to be investigated and be billed in accordance. Wash water recovery system to be modified by increasing the pump and pipe sizes in order to recover more water.	

48

Performance Indicators Cont...

Performance Objective	Alignment Strategic Outcomes	DWA Strategic Plan	Outcomes/Impact	Indicators	Measure	Actual 2013/14	Target 2014/15	Target Q2	Actual Q2	Variance	Reasons/Corrective action
1. Reliability of supply and the environment	MO A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100	SO 1.1, 1.2, 1.3	No unplanned interruptions to supply 24 hours	No number of days supply disrupted / total number supply days	%	2%	2%		Average Reservoir Levels 1. Blidstrup: 49.31 % 2. Hovgaard: 79.44 % 3. Lander: 90.35 % 4. DK: 83.20 % 5. Salsk: 85.37 % 6. Furefont: 82.03 % 7. Salsk: 85.44 %		Supply reservoirs are affected by low demand at Grøtholm, which resulted in them being empty a considerable time that could only pump 60 % Water restriction measures together with DWAS and 10 MME resumed. Supply and installation of 4 inch borehole pumps and motors in Thule Siku supplies area in under way and the rest of the boreholes will be re-installed following our Borehole Mgmt Plan. Mobile water tankers are deployed to village as and when needed as part of our Contingency Plan.
						Carbond River Region AVE Res Level 1. Dalning: 68.13 % 2. De Res: 78.33 % 3. Østergård: 100.00 % 4. Løkke: 87.44 % 5. Hvidbjerg: 88.34 % 6. Gårup: 80.32 % 7. Brøn: 74.32 %	N/A				
						Østergård Region AVE Res Level 1. Østergård: 100.00 % 2. Gårup: 80.32 % 3. Hvidbjerg: 88.34 % 4. Løkke: 87.44 % 5. Hvidbjerg: 88.34 % 6. Gårup: 80.32 % 7. Brøn: 74.32 %	N/A				
2. Cost recovery	MO A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100	SO 1.1, 1.2, 1.3	Operational efficiency	% cost saving	%	7.99%	8%	7.5%	1.4%	0.0%	Not in target
3. Financial performance	MO A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100	SO 6.1, 6.2	Improved performance	Actual performance	%	81.19%	82%	81%	6%	1%	Below target & moving towards the target
4. Financial performance and the environment	MO A1, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100	SO 6.1, 6.2	Water audit findings and WAs	Water audit reports	# reports	2	2	0	4		
					# reported	3	2	0	4		

Performance Indicators Cont...

Performance Objective	Alignment Strategic Outcomes	DWA Strategic Plan	Outcomes/Impact	Indicators	Measure	Actual 2013/14	Target 2014/15	Target Q2	Actual Q2	Variance	Reasons/Corrective action	
2. Improved financial performance	MO A, A2, A3, A4, A5, A6, A7, A8, A9, A10, A11, A12, A13, A14, A15, A16, A17, A18, A19, A20, A21, A22, A23, A24, A25, A26, A27, A28, A29, A30, A31, A32, A33, A34, A35, A36, A37, A38, A39, A40, A41, A42, A43, A44, A45, A46, A47, A48, A49, A50, A51, A52, A53, A54, A55, A56, A57, A58, A59, A60, A61, A62, A63, A64, A65, A66, A67, A68, A69, A70, A71, A72, A73, A74, A75, A76, A77, A78, A79, A80, A81, A82, A83, A84, A85, A86, A87, A88, A89, A90, A91, A92, A93, A94, A95, A96, A97, A98, A99, A100	SO 6.1, 6.2	Increased liquidity and sustainability	Financial ratios	Liquidity	3.62	3.20	3.10	4.20	3.1		As a result of the project and increase liquidity buffer for secondary activities/CAPEX cash flows
					Total income (M)	419	464	715	206	0	Decrease in water volumes from main client	
					Total expenditure (R m)	376	476	200	372	28	Expenditure not incurred in straight line basis will increase as year progresses	
					Gross profit margin % (PA)	84.32%	93%	84%	95%	1%	In line with target	
					Gross profit margin % (SA)	12%	2.63%	2.63%	0%	2.63%	Outstanding payment of implementing fees from DWA	
					Net profit margin % (PA)	15%	0%	2%	15%	14%	Expenditure not incurred in straight line basis will increase as year progresses	
					Net profit margin % (SA)	32%	1%	1%	0%	-1%	Outstanding payment of implementing fees from DWA/Prove to cover indirect cost	
					Debt Equity ratio	0.33	0.60	0.57	0.52	0.07	Reserve increase for capital expansion plans/cost containment	
					Return on asset %	2%	2%	3%	3%	2%	CAPEX commitments implementation to effect %	
					Debtors days #	52	55	53	64	-13	Ongoing default from Operational Local Municipality	

Performance Indicators Cont...

Performance Objective	Alignment Ministerial Outcomes	DWA Strategic Plan	Outcomes/ Impact	Indicators	Measures	Actual 2013/14	Target 2014/15	Target Q.2	Actual Q.2	Variance	Reasons/ Corrective action
6. Increase WBASE cases	MO C MO G	SO 2.1	Spend increased and increased new entrants	% of spend increased and increased new entrants	% increase	67%	10%	10%	156%	146K	Target exceeded due to new projects on CAPEX Program
						# new entrants	130	35	10	33	23
7 Capital Expenditure	MO B & D (OP1, T4), B) & (OP2, T4)	SO 1.1, 1.2, 1.3, 2.2 and 4.1	Infrastructure available to meet demands	Overall project expenditure within target	% variance	12%	25%	30%	3.70%	26.3%	Q2 expenditure below the target due to large multi-year projects under implementation and not completed
						Overall project completion dates within targets	36%	66 projects in total	2	3	1
10. Increase projects to tender	MO C, B & D (OP1, T4), B) & (OP2, T4)	SO 1.2 & 1.3 SO 2.6 & 3.2	Contribution to national objectives	CAPEX spend /projects	CAPEX spend or number of expansion projects	71%	2	1 project	2 completed	1	Expansion projects under construction, and evaluation
11. Recovery activities	MO A, D, E & G	SO 1.1, 1.2 & 4.1	Extent of involvement	% of turnover	% of total turnover	N/A	7%	7%	1%	6%	Sixteen (16) DWA projects - 47 ACIP & 11 WWS, IDW. The IA fees not claimed as yet as projects implementation had only been started.
12. Jobs Created	MO E	SO 6.1, 6.2 & 6.4	Permanent and contract (direct)	Total Number	Number	74	21	5	18	13	Ongoing recruitment, filling of vacancies
				Temporary (indirect)	Number	62	1900	20	334	434	
13. Training and Skills Development	MO E	SO 6.1, 6.2 & 6.3	Skills and capacity building	Training courses	Total Number	46	40	10	16	46	Achieved
				Learnships/Bursaries	Number	22	18	5	5	N/A	Achieved
						5	5	1	1	N/A	Achieved

Performance Indicators Cont...

Performance Objective	Alignment Ministerial Outcomes	DWA Strategic Plan	Outcomes/ Impact	Indicators	Measures	Actual 2013/14	Target 2014/15	Target Q.2	Actual Q.2	Variance	Reasons/ Corrective action
14. Good Governance	MO A-G	SO 6.5 & 6.6	Improved controls and risk mitigation	Breaches of materiality and significance framework	Number	0	0	0	0	0	None
15. Good Water Service Delivery						1	2	0	0	N/A	
ADDITIONAL KEY PERFORMANCE INDICATORS AND TARGETS											
16. Improved Financial Performance	MO A-G	SO 6.5 & 6.6	Unqualified audit report	Annual external audit	Qualified/ Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	Unqualified	In line with audit opinion
17. New Revenue	MO A, B & D (OP1, T4), B) & (OP2, T4)	SO 1.1, 1.2, 1.3, 3.1 & 4.1				50%	100%	100%	50%	50%	SLA for KLM and NLM are in place. Discussions to finalise signing of SLA with NLM and NLMs are still continuing.
18. Absence of any spill on the approved budget		2.1; 2.2; 2.1.3	No over expenditure/ losses	Financial reports	% variance	6%	10%	10%	37%	37%	Expenditure not incurred on straight line basis, will align as year progresses
19. Achieve / Exceeding reporting compliance	MO A, B & D (OP1, T4), B) & (OP2, T4)	SO 3.1	Good Governance	Statutory submissions made timeously	Submission dates met/missed	100%	100%	100%	100%	None	
20. Corporate Responsibility	MO E	SO 6.1, 6.2 & 6.4	Good corporate citizenship	Number of initiatives	Number and R value	25 R5 million	3 R9.1 million	1 R2.2 million	3 R2.3 million	x2 N/A	Achieved

Performance Summary on Dept of Water and Sanitation Programmes

1.MWIG -11 Projects

- Budget : R38,986,000.00
- Expenditure: R16,284,251.54=41.77%

2.ACIP:5 Projects

- Budget : R10,040,000.00
- Expenditure: R9,551,115.97 =95.13%

3.RWH: Phase 1 & 2

- Budget R4,200,000.00
- Expenditure: R3,525,700.00 =83.95%

4.NTP:1 Project

- Budget: R6,000,000.00
- Expenditure: R5,681,881.18= 94.70%

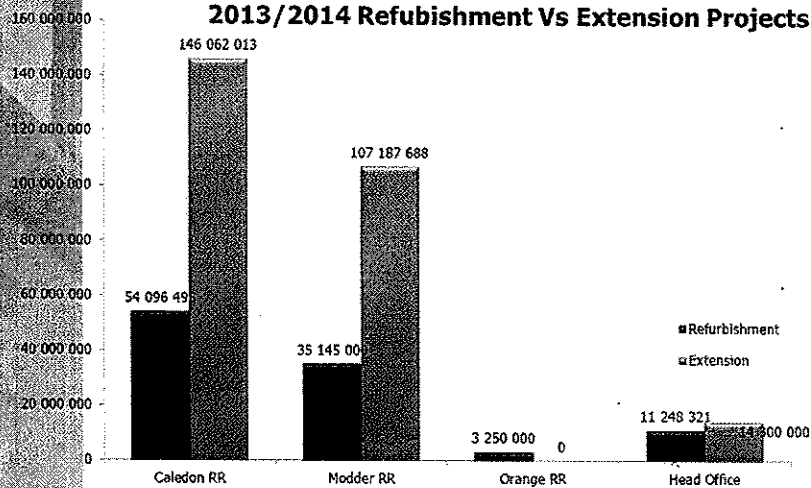
5.NWRI : 2 Projects for Infrastructure Upgrade in Bloem Water

- Budget: R100,000,000.00
- Expenditure: R12,352,616.46 =12.35%

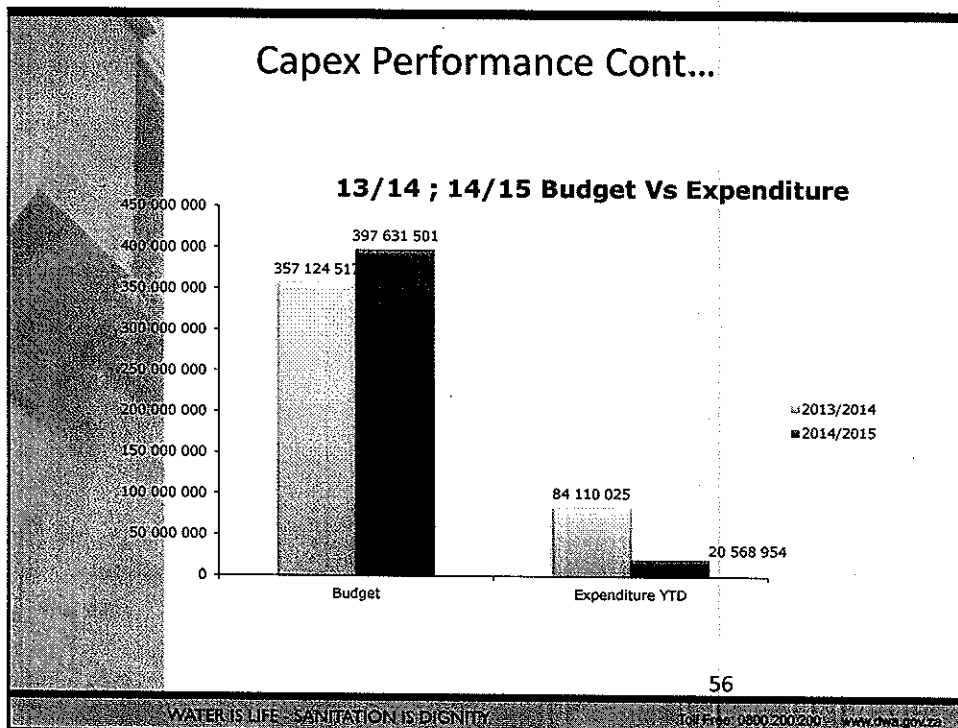
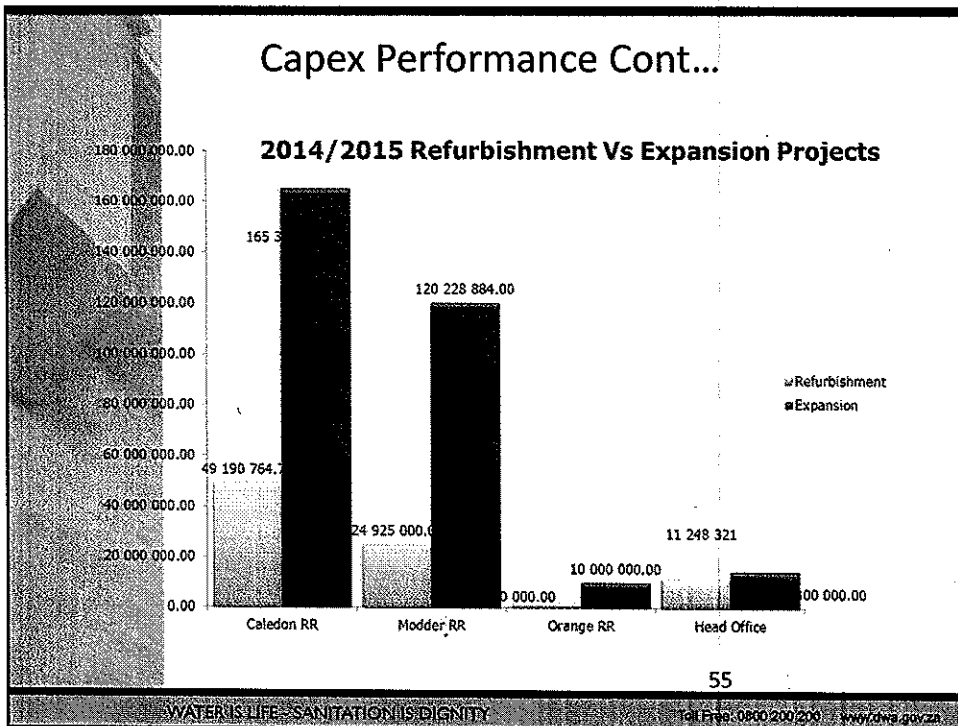
53

Capex Performance Cont...

2013/2014 Refurbishment Vs Extension Projects



54



FREE STATE BUCKET ERADICATION PROGRAMME

Bloem Water Authority entered into an agreement with the Department of Water and Sanitation, the Department of Human Settlements, and the Department of Corporate Governance and Traditional Affairs, to be an Implementing Agent for the Free State Water and Sanitation Programme, with the aim of ensuring the Eradication of Buckets Sanitation System in the Province, over a three year period. The programme commenced in **November 2013**

Financial Year	Budget Allocation	Required/Expected no. of buckets to be eradicated
2013/14	R 230 Mil	7000
2014/15	R 335 Mil	11000
TOTAL (Incl. VAT)	R 565 Mil	18000

No. of buckets eradicated by 31 March 2015

Total that would be Flushing: **7 732**
 Total Connected but not flushing: **8 246**
 Total: **15 978**

Expenditure: **R 507 791 298.79** 57

Baseline budget for 14/15 and Budget allocation 2015/16 – Salient Features

- Volume growth of 2-3%;
- Input costs increase aligned to tariffs increases
- Current implementation of CAPEX & Investment plan to 2016
- New Capex requirements for 2016 to 2020
- Improving profitability but returns still under pressure;
- Borrowing costs capitalized to assets;
- Retention of cash reserves
- Utilize reserves for refurbishments and loan repayments
- Debt service ratio of 25% maintained

Baseline budget for 14/15 and Budget allocation 2015/16 Cont...

STATEMENT OF COMPREHENSIVE INCOME AND OTHER DETAIL	Budget 2014/15	Forecast 2016/16	% Increase	Price/tariff Increase	Volume Increase	Other Increase
	R'000	R'000				
Total Income	603 975	643 001	7.7%			
Revenue	483 998	640 351	16.5%	14.5%	2.3%	-0.3%
Other operating income (incl secondary activities)	35 852	1 000	-97.2%			
Finance income	4 125	1 650	-60.0%			-60.0%
Total expenses	603 703	620 760	6.2%			
Water Production	30 804	33 494	8.7%	6.0%	2.1%	0.0%
Repayment of trade receivables	10 000	20 600	106.0%			105.0%
Chemicals	19 447	21 422	10.2%	8.0%	2.2%	0.0%
Depreciation - non-cash expense	61 415	63 655	4.0%			4.0%
Distribution costs	17 127	19 528	14.0%	14.0%	0.0%	0.0%
Energy	83 955	98 733	15.2%	11.0%	2.2%	2.0%
Repair and Maintenance	17 124	18 494	8.0%	8.0%	0.0%	0.0%
Staff costs	146 690	164 560	13.0%	8.0%	5.0%	0.0%
Operating Expenses (incl secondary activities)	90 726	82 285	-31.3%	8.0%	-39.3%	-39.3%
Finance expenses	27 445	28 637	5.1%			5.1%
Profit/(loss) for the year	272	13 251				
Capital component						
Interest Bearing Borrowings - Capital component	30 173	41 739				
PPE	49 700	90 700				
Profit/(loss)	-37 601	-128 188				

Baseline budget for 14/15 and Budget allocation 2015/16 Cont...

STATEMENT OF COMPREHENSIVE INCOME AND OTHER DETAIL (incl tariff increases)	Budget 2014/15	Forecast 2015/15	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20
	R'000	R'000	R'000	R'000	R'000	R'000
Total Income	84 530 981	90 722 812	85 947 469	100 840 819	102 653 625	104 758 703
Revenue	72 002 293	75 944 042	74 824 128	72 473 811	74 000 083	76 663 144
Other operating income	22 273 200	23 289 720	21 095 341	24 187 208	24 690 562	26 149 559
Finance income	6 475 349	6 304 869	6 994 963	6 179 802	6 959 000	6 945 773
Total Expenses	66 476 349	68 304 869	69 994 963	81 768 302	83 003 089	85 478 773
Water Production	485	635	630	735	845	971
Repayment of trade receivables	3 85	430	634	630	687	747
Chemicals	5 21	6 97	8 88	7 89	6 87	10 42
Depreciation - non-cash expense	4 02	6 18	6 69	6 22	7 01	7 79
Distribution costs	-0 17	0 38	0 69	1 02	1 44	1 96
Energy	-0 52	-1 39	-1 47	-1 44	-2 43	-2 38
Repair and Maintenance	11 5	14 5	15	15	15	15
Staff costs	603 975	703 981	636 832	746 815	878 107	1 077 492
Operating Expenses (incl secondary activities)	451 098	630 257	633 832	743 466	872 107	1 022 982
Finance expenses	462 600	640 501	630 832	743 466	872 107	1 022 982
Interest Bearing Borrowings - Capital component	1 359	0	0	0	0	0
PPE	38 842	1 000	1 000	1 000	1 000	1 000
Profit/(loss)	4 125	1 960	2 900	2 600	3 600	3 960
Total Expenses	603 703	620 720	607 811	676 876	713 905	851 924
Water Production	30 804	32 944	30 289	46 065	54 065	63 410
Repayment of trade receivables	10 000	20 600	26 560	30 000	30 000	34 000
Chemicals	19 447	21 422	24 264	27 461	31 061	35 202
Depreciation - non-cash expense	61 415	63 655	66 961	70 205	94 574	109 623
Distribution costs	17 127	19 528	22 268	26 376	28 827	32 977
Energy	83 965	98 733	111 456	129 909	151 081	177 618
Repair and Maintenance	17 124	18 494	20 343	22 375	24 616	27 677
Staff costs	146 690	164 560	144 347	204 925	225 048	247 667
Operating Expenses (incl secondary activities)	80 726	82 285	87 108	72 494	78 214	84 361
Finance expenses	27 445	28 637	36 878	43 524	61 767	79 800
Profit/(loss) for the year	272	13 251	17 221	17 402	14 203	133 483

Baseline budget for 14/15 and Budget allocation 2015/16 Cont...

STATEMENT OF FINANCIAL POSITION	Budget 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20
Assets	1,124,890	1,201,189	1,292,893	1,417,774	1,630,378	1,829,793
Property, plant and equipment	943,640	938,734	1,050,104	1,153,056	1,362,893	1,537,438
Intangible Assets	-	-	-	-	-	-
Inventory	10,437	11,407	13,017	14,738	16,686	18,892
Trade and Other Receivables/Infrastructure Project Receivable	70,206	73,278	75,118	87,996	130,712	170,261
Prepaid Expenses	138,120	100,000	110,000	130,000	130,000	130,000
Trade and Other Payables	11,017	49,878	14,454	31,695	19,317	23,214
Liabilities	1,124,890	1,201,189	1,292,893	1,417,774	1,630,378	1,829,793
Trade Payables (incl. other due to standard charges)	773,208	784,427	828,878	893,087	987,290	1,122,778
Current Tax Payables	300,636	287,444	330,130	377,144	512,718	655,614
Current Financial Liabilities	88,813	87,790	88,175	88,684	80,487	88,003
Long Term / External Bearing Borrowings	231,822	229,528	271,956	308,480	432,229	547,611
Provision for Bad Debts	40,000	40,000	40,000	40,000	40,000	40,000
Trade and other payables/Deferred Income	80,819	87,264	86,888	107,643	119,273	132,504

Rand value

	Budget 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20
Cash and cash equivalents/Investment (B/S)	150,038	116,676	124,454	151,985	149,317	154,214

61

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Baseline budget for 14/15 and Budget allocation 2015/16 Cont...

FINANCIAL INDICATORS AND RATIOS	Budget 2014/15	Forecast 2015/16	Forecast 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20
Capital Expenditure						
CapEx as % of Revenue (Based on abstraction volumes)	0.36	0.38	0.44	0.50	0.58	0.60
Total CapEx as % of Revenue (including capital components and finance cost based on sale volumes)	6.02	5.18	5.09	6.02	7.01	7.74
Financial Ratio (Ratio) based on sales volumes	0.20	0.20	0.28	0.43	0.61	0.70
LIABILITIES						
Current Ratio (Current assets divided by current liabilities)	1.54	1.98	1.37	1.50	1.40	1.68
Current Ratio (Current assets incl employee benefits divided by total accumulated reserves)	0.85	1.03	0.67	0.59	0.68	0.72
Ratio (Total assets incl current assets/inventories)/current liabilities	0.68	0.61	0.47	0.62	0.44	0.42
PROFITABILITY						
Current Ratio (Current assets divided by current liabilities)	2.01	2.08	2.88	2.51	2.94	2.86
Ratio (Current assets incl interest & loans divided by total assets)	0.92	0.93	0.98	0.98	0.99	0.11
Ratio (Current assets divided by total assets)	0.36	0.45	0.49	0.52	0.53	0.50
Current Ratio % based on operating profit (Operating profit divided by revenue)	4.06	4.03	4.01	4.04	4.04	4.06
Current Ratio % based on gross income (Gross income divided by revenue)	0.60	0.64	0.64	0.64	0.64	0.64
Gross Profit Margin - secondary activities	5%	5%	5%	5%	5%	5%
Net Profit Margin % - secondary activities	5%	5%	5%	5%	5%	5%
Fixed Asset Turnover (Revenue divided by fixed assets)	0.48	0.54	0.59	0.64	0.64	0.64
Inventory Turnover (Cost of maintenance materials divided by inventory)	2.06	2.91	3.02	3.13	3.28	3.35
Debtors collection period (days) (incl prov bad debt) divided by revenue times 365	55.30	46.00	43.28	48.11	44.71	40.76
Operating Cycle (Days) (divided by expenses (incl depreciation & staff cost) times 365)	22.90	27.40	28.16	30.60	31.40	32.10
Accounts Receivable Turnover (Revenue divided by accounts receivable)	8.80	7.50	8.44	7.59	8.67	8.01
Working Ratio (Operating expenses divided by operating revenues)	1.03	0.83	0.89	0.88	0.83	0.79
Comprehensive Working Ratio (Operating expenses incl raw water, deprec & lease, divided by operat. rev)	0.83	0.75	0.72	0.69	0.65	0.62
Weighted Average Cost of Capital (WACC)	0.07	0.08	0.06	0.09	0.10	0.10
Operating Assets % of Revenue	7%	7%	6%	5%	5%	6%
ASSETS RATIO						
Operating Assets/Current assets	0.09	0.07	0.04	0.06	0.07	0.09
Operating Assets/Revenue	0.07	0.07	0.07	0.06	0.11	0.13
Fixed asset maintenance as % of PPE and Investment Property (Carrying Value)	1.74%	1.60%	1.62%	1.94%	1.81%	1.71%
Self consumption as % of total operating expenditure	30.65%	33.69%	32.82%	32.11%	31.28%	30.48%

62

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Baseline budget for 14/15 and Budget allocation 2015/16 Cont...

- Consult with its municipal clients required by Section 42 MFMA & Circ 23.
- The implication of the above incorporates the following major components:
 - An increase in the raw water cost up to 6% (Revised from 18.38%)
 - An increase in chemical cost: 10.2%
 - An increase in electricity cost: 15.2% plus additional requirements
 - An increase in human resources cost: 8% plus additional requirements
- CAPEX: The proposed tariff will result in the downscaling of CAPEX projects in future years.
- It impacts the National Treasury requirements regarding debt service ratios restricting Bloem Water to obtain external funding for the debt service ratio above 25% and as aligned with the approved borrowing limits by Department of Water and Sanitation and National Treasury
- The consultation process followed with treated tariff to increase from R5.21 to R6.00 and raw water from R3.83 to R4.41
- Following the above, consultation with National Treasury, SALGA and DWS ensued. Result.
 - NT supported the increase although not cost reflective tariff due to tariff shortfall
 - DWS and Minister of Water and Sanitation concluded
 - SALGA supported in general, expressed concern on HR and Operational cost
- Impact – Still under recovering for the period 2015/18, affecting cash position
- Raw water charges reduced by DWS impact tariff to increase from R5.21 to R5.97 and raw water from R3.83 to R4.39
- Additional increase in Eskom tariffs not considered by DWS

63

Job Creation/Staff Compliment

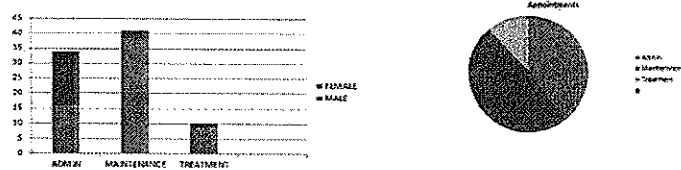
Occupational Levels	Designated							Non-designated			Total
	Male			Female				White Male	Foreign Nationals		
	A	C	I	A	C	I	W	W	M	F	
Top Management	3	0	0	2	0	0	1	1	0	0	7
Senior Management	2	0	0	1	0	0	1	3	0	0	7
Professional qualified, experienced Specialists and mid-Management	15	0	0	3	0	0	2	2	0	0	22
Skilled technical, academically-qualified workers, junior Management, Supervisors, Foremen and Superintendents	40	2	1	5	2	1	3	9	0	0	63
Semi-skilled and discretionary decision-making	71	2	0	11	1	0	3	3	0	0	91
Unskilled and defined decision-making	67	3	0	9	0	0	1	3	0	0	83
TOTAL PERMANENT	198	7	1	31	3	1	11	21	0	0	273
Non-permanent employees	21	1	0	5	0	0	0	1	0	0	28
GRAND TOTAL	219	8	1	36	3	1	11	22	0	0	301

64

Jobs created – Buckets Eradication Programme: Free State

Total	Male		Female		Disabled	SMME's
	Adults	Youth	Adults	Youth		
1963	626	759	165	398	1	60

Appointments per gender



65

Thank you

66



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

Lepelle Water

Presented by:
Name/Surname: JC Kilian
Designation: Chief Finance Officer
Directorate

WATER IS LIFE. SANITATION IS DIGNITY.

PRESENTATION TITLE

Strategic Objectives

1. Provision of equitable and sustainable regional water and sanitation services.
2. Develop and Maintain regional water and sanitation infrastructure.
3. Financial viability and sustainability
4. Effective Human Capital Management

68

WATER IS LIFE. SANITATION IS DIGNITY.

Tel: Free 0800 200200 www.dwa.gov.za

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
1. Water Quality Compliance	MO A, OP1, Ta) & c), MO B, OP2, Ta)	A, SO 3.1, 4.1 & 4.2	Water quality standards met	Test results, SANS 241
2. Non-Revenue water	MO A, OP1, Ta) & c), MQ B, OP2, Ta)	A, SO 2.3 & 2.4	Reduce levels of unaccounted for water (UAW)	Water lost as a % of total water produced
3. Reliability of supply	MO A>G OP1, Ta),b) & c), OP2, Ta)	SO 2.2, 2.3 & 2.1	No unplanned interruptions to supply exceeding 24 hours	% number of days supply disrupted divided by total number of possible supply days

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
4. Financial reporting compliance	MO A > G	SO 1.2 & 2.1	Unqualified audit report	Annual external audit
5. Staff turnover	MO E	SO 1.1	Optimal staff retention	% staff leaving
6. Board Member attendance	MO A>G	SO 1.6	Improved performance of fiduciary duties/governance	Actual Attendance

70

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
7. Effective Internal Controls and Risk	MO B	SO 3.1 & 4.1	Internal Audit finding dealt with	Internal Audit reports
8. Bulk supply agreements concluded with Municipalities/ Other customers	MO A, B & D OP1, Ta), b) & c). OP2, Ta	SO 1, 2.2 & 3.2	Statutory and service level agreements in place	Municipalities/ other customers with bulk supply agreements
9. Improved Financial ratios	MO A, B & D OP1, Ta), b) & c). OP2, Ta	SO 1.2	Improved viability and sustainability	Financial ratios

71

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
10. Increase BBBEE expenditure in relation to operational projects	MO A, B, D & E	SO 1.1, 1.3 & 2.3	Spend increased and increased new entrants	% spend
11. Manage costs within the approved budget	MO A, B & D	SO 1.2	No over expenditure losses	Financial reports
12. Capital Expenditure	MO E MO A, B & D	SO 2.2, SO 1.2 & 2.4	Infrastructure available to meet demands	Overall project expenditure within R target

72

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
13. Increased access to services	MO A, B & D OP1, Ta), b) & c). OP2, Ta	SO 2.1, 2.3 3.2 & 1.4	Contribution to national objectives	CAPEX spend/projects
14. Engagement in secondary activities	MOA > G	SO 3.2 & 1.5	Extent of involvement	
15. Achieve statutory reporting Compliance	MO A, B & D OP1, Ta), b) & c). OP2, Ta	SO 3.1 & 4.1	Reporting compliance achieved	Statutory submissions made on time

73

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
16. Jobs created	MO A, D, E & G	SO 1.3	Permanent & contract (direct)	Total number
	MOA > G	SO 1.3	Temporary (Indirect)	Total number
17. Corporate social responsibility initiatives	MO E	SO 1.1 & 3.2	Good corporate citizenship	Number of initiatives
18. Training and skills development	MO E	SO 1.1	Skills and capacity building	Leaverships
				Bursaries employees
				Graduate programs

74

WATER IS LIFE - SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

Performance indicators

PERFORMANCE OBJECTIVE	ALIGNMENT		OUTCOMES/IMPACT	INDICATORS
	MINISTERIAL OUTCOME	DWA STRATEGIC PLANNING		
19. Good governance	MO E, F & G	SO 1.6 & 3.1	Improved controls and risk mitigation	Breaches of materiality and significance framework

75

WATER IS LIFE. SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

CAPITAL EXPENDITURE

		2015/16	2016/17	2017/18	2018/19	2018/19
		R'm	R'm	R'm	R'm	R'm
LNW SCHEMES	MDM	93	86	73	69	66
	CDM	83	74	64	57	55
	HEAD OFFICE	78	8	99	3	4
	WATERBERG	8	0	0	1	1
Non LNW Schemes	MDM	25	16	14	6	7
	SDM	48	50	50	0	0
TOTAL		335	234	300	136	133

76

WATER IS LIFE. SANITATION IS DIGNITY

Toll Free: 0800 200 200 www.dwa.gov.za

INCOME STATEMENT FOR THE YEAR ENDED JUNE

	2015	2016	2017	2018	2019
	R'm	R'm	R'm	R'm	R'm
Volume sold (kl)	97	98	100	100	100
Turnover	425	461	522	571	623
Operating expenditure	475	503	559	619	666
Net finance	17	21	22	21	24
Net surplus	30	35	41	31	33

77

WATER IS LIFE · SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dwa.gov.za

Job Creation

Number of Permanent employees : 15
 Number of temporary employees : 120

78

WATER IS LIFE · SANITATION IS DIGNITY Toll Free: 0800 200 200 www.dwa.gov.za

5864

082 78 33372

2015/04/29

