



CORPORATE PLAN



2023/2024 - 2027/28

TABLE OF CONTENTS

FOREWORD BY THE CHAIRPERSON OF THE BOARD.....	VI
1 VISION.....	1
2 MISSION.....	1
3 VALUES	1
4 BUSINESS PRINCIPLES.....	1
4.1 RELIABILITY.....	2
4.2 COLLABORATIVE	3
4.3 ACCOUNTABILITY	3
5 LEGISLATIVE AND OTHER MANDATES	4
5.1 CONSTITUTIONAL MANDATES	4
5.2 LEGISLATIVE MANDATES.....	5
5.3 POLICY MANDATES	6
5.4 RELEVANT COURT RULINGS.....	8
5.5 PERFORMANCE ENVIRONMENT	8
5.6 ORGANISATIONAL ENVIRONMENT	9
5.7 AREA OF SUPPLY	17
5.8 PRIMARY ACTIVITIES	18
5.9 SECONDARY ACTIVITIES	19
5.10 STRATEGIC OUTCOMES AND POLICIES	22
5.11 ALIGNMENT OF DWS GOALS AND LNW STRATEGIC OBJECTIVES	24
5.12 POSITIONING FOR INSTITUTIONAL REALIGNMENT	34
5.13 ENVIRONMENTAL SCANNING	39
5.14 GENERAL PLANNING ASSUMPTION	43
6 POLICY STATEMENT	44
7 SELF APPRAISAL OF BUSINESS ACHIEVEMENTS IN PREVIOUS YEAR	44
7.1 KEY ACHIEVEMENTS.....	45
7.2 UNDER ACHIEVEMENTS	48
7.3 CHALLENGES AND RECOVERY PLANS.....	48
8 MINISTER’S DIRECTIVES	49
8.1 NANDONI/NSAMI	49
8.2 GIYANI WATER SERVICES	50
8.3 BABANANA/NKAMBAKO BULK WATER PROJECT.....	51
8.4 MOUTSE DROUGHT RELIEF PROJECT	52
8.5 EBENEZER/OLIFANTSPOORT SCHEME	52
8.6 OTHER PROCESSES	55
9 PARTICIPATION IN COMPANIES	55
10 WATER RESOURCE DEVELOPMENT AND INTER-BASIN TRANSFER SCHEMES.....	55
10.1 EBENEZER SCHEME	57

10.2	OLIFANTSPOORT SCHEME	61
10.3	DOORNDRAAI SCHEME	65
11	BULK POTABLE WATER SUPPLY PLAN	71
11.1	INTRODUCTION	71
11.2	PHALABORWA SCHEME.....	77
11.3	POLITSI WATER SCHEME	83
11.4	NANDONI SCHEME	88
11.5	FLAG BOSHIELO SCHEME	92
11.6	BURGERSFORT SCHEME	98
11.7	MARBLE HALL WASTEWATER SCHEME	104
11.8	BURGERSFORT WASTEWATER WORKS.....	105
11.9	STEELPOORT WASTEWATER SCHEME	106
12	RETAIL WATER SERVICES PLAN	108
12.1	POTENTIAL FUTURE CLIENTS	109
12.2	OPERATIONS AND MAINTENANCE	109
12.3	SCIENTIFIC SERVICES.....	109
13	OTHER ACTIVITIES	111
13.1	SUPPORT TO MUNICIPALITIES	111
13.2	DAM MANAGEMENT	111
13.3	PROMOTION OF SAFE TAP WATER	112
14	HUMAN RESOURCES PLAN.....	112
14.1	PERSONNEL STRENGTH.....	112
14.2	TALENT ACQUISITION (RECRUITMENT)	114
15	EMPLOYEE WELLNESS.....	118
16	INFORMATION COMMUNICATION TECHNOLOGY (ICT).....	119
16.1	BACKGROUND	119
16.2	ICT FOCUS	119
16.3	ICT AS AN INTEGRAL PART OF THE CORE BUSINESS.....	121
17	OCCUPATIONAL HEALTH AND SAFETY	121
18	ENVIRONMENTAL MANAGEMENT PROGRAMME.....	122
19	WATER CONSERVATION AND DEMAND MANAGEMENT PLANS	126
20	MARKETING, BRANDING, COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT	127
21	CORPORATE SOCIAL RESPONSIBILITY (CSR).....	128
22	FINANCIAL PLAN	128
23	PROJECTED FINANCIAL STATEMENTS.....	130
24	SCHEMES FINANCIAL PERFORMANCE	138
25	CAPITAL PROJECT REQUIREMENTS FUNDING PLAN	160
25.1	BACKGROUND	160
25.2	TARIFF.....	160
25.3	SURPLUS POLICY	161

25.4	BORROWING LIMIT REQUIREMENTS FOR THE FUNDING OF PROJECTS	161
26	AFFORDABILITY TEST	162
27	BORROWING PROGRAMME	162
27.1	TERMS AND CONDITIONS ON WHICH MONEY IS BORROWED	162
28	BANK ACCOUNT	163
29	ANALYSIS OF RISK.....	163
29.1	LIQUIDITY RISK	163
29.2	SOLVENCY RISK	164
29.3	INTEREST RATE RISK	164
29.4	INSURED RISK	164
29.5	GEARING RISK.....	164
29.6	INVESTMENT RISK	164
29.7	SUPPLY RISK.....	164
29.8	CREDIT RISK.....	165
29.9	OTHER RISK ACTIVITIES	165
29.10	ENTERPRISE RISK MANAGEMENT	165
29.11	ETHICS MANAGEMENT AND FRAUD PREVENTION.....	166
30	MATERIALITY AND SIGNIFICANT FRAMEWORK	166
31	INTERNAL AUDIT	167
31.1	INTERNAL AUDIT FUNCTION.....	167
31.2	EFFECTIVENESS OF INTERNAL CONTROLS	168
31.3	COMBINED ASSURANCE	169
31.4	EXTERNAL INVESTIGATIONS	169
32	RESOURCE ALLOCATION.....	170
33	DECLARATION BY THE BOARD	170
	ANNEXURE A: QUARTERLY TARGETS.....	166
	ANNEXURE B: TECHNICAL INDICATOR DEFINITION	173

LIST OF TABLES

TABLE 5-1: BOARD COMMITTEES AND THEIR ROLES	15
TABLE 5-2: LNW STRATEGIC OUTCOMES IN LINE WITH DWS GOALS AND STRATEGIC OBJECTIVES	24
TABLE 5-3: PESTEL ANALYSIS	39
TABLE 5-4: SWOT ANALYSIS	41
TABLE 7-1: CAPITAL PROJECTS AIMED AT ASSURANCE OF SUPPLY.	45
TABLE 10-1: POLOKWANE MUNICIPALITY PREDICTED WATER SHORTAGES WITHOUT ANY UPGRADES.....	56
TABLE 10-2: SUPPLY AND DEMAND FROM EBENEZER	58
TABLE 10-3: ASSURANCE OF SUPPLY FOR EBENEZER SCHEME	58
TABLE 10-4: WATER DEMAND FOR OLIFANTSPOORT SCHEME	62
TABLE 10-5: ASSURANCE OF SUPPLY FOR OLIFANTSPOORT SCHEME.....	63
TABLE 10-6: WATER DEMAND VS. WATER AVAILABLE FROM DOORNDRAAI SCHEME	66
TABLE 10-7: ASSURANCE OF SUPPLY FROM DOORNDRAAI SCHEME	68
TABLE 10-8: INFRASTRUCTURE CAPACITIES AND UTILISATION FOR DOORNDRAAI SCHEME.....	70
TABLE 11-1: LIST OF SCHEMES OPERATED BY LNW.....	71
TABLE 11-2: WASTEWATER SCHEMES OPERATED ON BEHALF OF SDM	72
TABLE 11-3: SANS 241 COMPLIANCE TARGETS.....	72
TABLE 11-4: RAW WATER QUALITY ISSUES BEING MITIGATED.	73
TABLE 11-5: RESPONSIBILITIES OF SCHEME MANAGERS IN VARIOUS PLANTS.....	75
TABLE 11-6: PHALABORWA WATER DEMAND VERSUS SUPPLY	77
TABLE 11-7: ASSURANCE OF SUPPLY FOR PHALABORWA SCHEME	78
TABLE 11-8: INFRASTRUCTURE CAPACITIES AND UTILISATION FOR PHALABORWA SCHEME.....	81
TABLE 11-9 INDUSTRIAL WATER FOR PHALABORWA SCHEME	81
TABLE 11-10: AVERAGE PROJECTED WATER DEMAND POLITSI SCHEME.....	84
TABLE 11-11: ASSURANCE OF SUPPLY FOR POLITSI SCHEME.....	85
TABLE 11-12: INFRASTRUCTURE CAPACITIES AND UTILISATION FOR POLITSI SCHEME	87
TABLE 11-13: AVERAGE PROJECTED WATER DEMAND NANDONI SCHEME	89
TABLE 11-14: ASSURANCE OF SUPPLY FOR NANDONI SCHEME.....	89
TABLE 11-15: INFRASTRUCTURE CAPACITIES AND UTILISATION FOR NANDONI SCHEME	91
TABLE 11-16: FLAG BOSHIELO WATER DEMAND VS. SUPPLY	93
TABLE 11-17: ASSURANCE OF SUPPLY FOR FLAG BOSHIELO SCHEME	94
TABLE 11-18: INFRASTRUCTURE CAPACITIES AND UTILISATION FOR FLAG BOSHIELO SCHEME	96
TABLE 11-19: PROJECTED WATER DEMAND FOR BURGERSFORT	99
TABLE 11-20: ASSURANCE OF SUPPLY FOR BURGERSFORT SCHEME	99
TABLE 14-1: EMPLOYMENT EQUITY PLAN	112
TABLE 14-2: EMPLOYMENT EQUITY PLAN IN PERCENTAGE	113
TABLE 14-3 WORKFORCE PROFILE (INCLUDING PEOPLE WITH DISABILITIES)	113
TABLE 18-1: REDUCTION OF WATER LOSSES.....	122
TABLE 18-2: ENVIRONMENTAL ASPECTS, OBJECTIVES AND TARGETS.....	126
TABLE 23-1: STATEMENT OF COMPREHENSIVE INCOME	130
TABLE 23-2: STATEMENT OF FINANCIAL POSITION	136
TABLE 23-3: STATEMENT OF CASH FLOW.....	141
TABLE 23-4: CAPITAL EXPENDITURE PROGRAM.....	143
TABLE 23-5: FINANCIAL RATIOS.....	144
TABLE 29-1: DETAILED RISK MANAGEMENT IMPLEMENTATION PLAN FOR 2022/23 (KEY STRATEGIC RISKS)	164

TABLE 30-1: MATERIALITY AND SIGNIFICANT FRAMEWORK	166
TABLE 31-1: INVESTIGATIONS BEING CONDUCTED BY EXTERNAL INSTITUTIONS	169

TABLE OF FIGURES

FIGURE 4-1: GUIDING BUSINESS PRINCIPLES	2
FIGURE 5-1: FIVE YEAR STRATEGIC OUTCOMES.....	26
FIGURE 7-1: OVERALL ORGANISATIONAL PERFORMANCES	44
FIGURE 7-2: CUSTOMER SATISFACTION PERFORMANCE	47
FIGURE 10-1: POLOKWANE MUNICIPALITY DEMAND FORECAST	56
FIGURE 10-2FIGURE 10-3: SUPPLY AND DEMAND FOR EBENEZER SCHEME	58
FIGURE 10-4: ASSURANCE OF SUPPLY FOR EBENEZER SCHEME	59
FIGURE 10-5: WATER DEMAND FOR OLIFANTSPOORT SCHEME.....	62
FIGURE 10-6: ASSURANCE OF SUPPLY FOR OLIFANTSPOORT SCHEME	63
FIGURE 10-7: WATER DEMAND FROM MOGALAKWENA VS. WATER AVAILABLE FROM DOORNDRAAI SCHEME.....	67
FIGURE 10-8: ASSURANCE OF SUPPLY FOR DOORNDRAAI SCHEME	68
FIGURE 11-1: WATER DEMAND FOR PHALABORWA SCHEME	78
FIGURE 11-2: ASSURANCE OF SUPPLY FOR PHALABORWA SCHEME.....	79
FIGURE 11-3: POLITSI WATER DEMAND	84
FIGURE 11-4: ASSURANCE OF SUPPLY FOR POLITSI SCHEME	85
FIGURE 11-5: NANDONI WATER DEMAND	89
FIGURE 11-6: ASSURANCE OF SUPPLY FOR NANDONI SCHEME	90
FIGURE 11-7: WATER DEMAND FROM FLAG BOSHIELO SCHEME.....	93
FIGURE 11-8: ASSURANCE OF SUPPLY FOR FLAG BOSHIELO SCHEME.....	94
FIGURE 11-9: PROJECTED WATER DEMAND IN BURGERSFORT SCHEME.....	99
FIGURE 14-1: LINKAGE BETWEEN BALANCE SCORE CARD PERSPECTIVES AND STRATEGIC OBJECTIVES	116
FIGURE 15-1: SIX WELLNESS PILLARS.....	118
FIGURE 16-1: ICT HOUSE OF VALUES	120

ACRONYMS AND DEFINITIONS

BEE	: Black Economic Empowerment
CPI	: Consumer Price Index
DWS	: Department of Water and Sanitation
ERP	: Enterprise Resource Planning
Eskom	: Electricity Supply Commission
EWP	: Employee Wellness Programme
GSM	: Global System for Mobile communication
IDP	: Integrated Development Plan
IWRM	: Integrated Water Resources Management
kVA	: Kilo Volt Amperes
kWh	: Kilo Watt Hour
LNW	: Lepelle Northern Water
OHSAS	: Occupational Health and Safety Assessment
NWRS	: National Water Resources Strategy
ORWRDP	: Olifants River Water Resources Development Programme
LDP	: Limpopo Development Plan
PFMA	: Public Finance Management Act
RCM	: Reliable Centred Maintenance
SAAWU	: South African Association of Water Utilities
SALGA	: South African Local Government Association
SANAS	: South African National Accreditation System
SDG	: Sustainable Development Goals
SDM	: Sekhukhune District Municipality
NRW	: Non-revenue Water
WSAs	: Water Services Authorities
WSDP	: Water Services Development Plan
WSLAs	: Water Services Level Agreements
WSP	: Water Services Provider
WTW	: Water Treatment Works
WWTW	: Wastewater Treatment Works

FOREWORD BY THE CHAIRPERSON OF THE BOARD

The primary mandate of Lepelle Northern Water (LNW) is to provide bulk water to Water Services Authorities and Industries within the Limpopo Province. LNW is regulated by amongst others, the Water Services Act No.108 of 1997 and the Public Finance Management Act No.1 of 1999. The Board is the accounting authority and has the responsibility to ensure that the resources are managed in an effective, efficient, and sustainable manner. This corporate plan is underpinned by the following key government pronouncement and publications amongst others:

- State of the Nation Address (SONA).
- National Development Plan for 2030 (NDP).
- The Department of Water and Sanitation Strategic Plan.
- State of the Province Address (SOPA).
- State of the Districts Address (SODA).
- Districts Development Models (DDM).
- Limpopo Development Plan (LDP).

LNW will continue to operate on sound business principles to ensure effectiveness and efficiency. LNW will strive to maintain a sound statement of financial position which will enable it to raise capital in the open financial market should such a need arise.

Some of the key challenges that LNW must deal with are the following:

- Negative effects and consequences of climate change in which drought dominates when compared to flooding and therefore negatively impacting the availability of water resources.
- Ageing infrastructure.
- Deteriorating raw water quality.
- Non-payment by the Water Service Authorities for bulk water services.
- Water demand that exceeds available raw water allocation (over abstraction).
- Cyberattacks

LNW consistently research on the mitigating strategies to eliminate/reduce the negative impact of the above-mentioned challenges which will assist the provincial government to realise its objectives pertaining to the contribution towards the country's need to fulfil the bill of rights as stipulated in chapter 2 of the Constitution and related to access to water services.

Furthermore, LNW has also decided that on the following key strategic outcomes: -:

- 1) Provision of equitable and sustainable bulk water services.
- 2) Bulk water services infrastructure planning and development.
- 3) Effective financial viability and sustainability.
- 4) Effective and efficient organisational development processes and practices; and
- 5) Good governance and clean administration.

LNW has aligned these strategic outcomes to the overall national priorities for the sector. The accomplishment of the strategic outcomes is elaborated upon in the Corporate Plan and constitutes the basis of the Shareholder Compact between the Board and the Minister of Water and Sanitation.

The Minister of Water and Sanitation has, during the reconfiguration of the Water Boards', extended the area of operation for LNW to cover the entire Limpopo Province. The Board has since welcomed the extension as well as the responsibility. Furthermore, the Board ensured allocation of resources to carry out the relevant studies to establish all the requirements that will make this reconfiguration a reality.

The implementation of the strategic outcomes will be done through integration with the business balance score card focussing on the following imperatives:

- 1) Financial perspective.
- 2) Customer perspective.
- 3) Learning Organisation perspective; and
- 4) Internal Process perspective.

LNW always endeavour to strike a balance between applying the limited resources to pursue the primary mandate and providing support to municipalities to execute their mandates. However, LNW anticipates not to spend more than 5% of the total turnover on secondary activities. LNW is well positioned to support the achievement of the objectives of government for which the DWS has a mandate. It is for this reason that the strategies of LNW have been aligned with those of DWS; Limpopo Development Plan (LDP); local government's Integrated Development Plans (IDPs); the State of the Nation, Province and Districts Addresses. Furthermore, it is also aligned to the District Development Models of the municipalities within its area of operation. This alignment will better enable LNW to contribute towards the accomplishment of the national target for water services.

LNW subscribes to succession planning and retention strategies for key skills for business continuity. The developments taking place within LNW's service area presents more opportunities for bulk water utilities and therefore there is a need to create the necessary capacity within LNW to ensure successful implementation of government policy.

Water conservation and water demand management warrants that entities should take a proactive approach in terms of ensuring uninterrupted supply of bulk water as the primary function. The reality is that Limpopo province can no longer afford water losses and therefore it is imperative that the focus on water conservation and water demand management is strengthened, especially as there is a big return on investment through reducing non-revenue water and the efficient use of available water.

LNW recognises the significance of drinking water quality and has therefore established a SANAS accredited laboratory at the Ebenezer Water Treatment Works to conduct independent tests, performed by the Scientific Water Services Unit. LNW uses the laboratory to test the quality of water produced by the water treatment works as well as adherence to SANS 241 requirements. There are stringent internal control systems and targets in place for both potable and industrial water qualities. There is a plan to expand the scope of SANAS accreditation in microbiology, organic chemistry, inorganic chemistry, and heavy metals to test the final effluent from wastewater treatment works operated by LNW as well as samples from surrounding industries on a commercial basis.

The slogan "*Water is Our Passion*" and our commitment to the provision of cost-effective bulk water services is reflected in our tariff increases for the next financial year. The average potable water tariff increases for the year 2023/24 is on average 15%. Other measures like energy conservation, plant optimisation and the reduction of non-revenue water will continue to be implemented in our areas to continue providing cost effective bulk water services to the customers.

Higher raw water and spiralling energy costs are becoming significant cost drivers in the composition of LNW's bulk tariff. Payment for services rendered remains crucial for the ability of LNW to provide bulk water on a sustainable basis. The continued non-payment for bulk water services by municipalities remains a concern and stringent measures including reduction of water supply will be put in place to ensure for services rendered by LNW.

LNW remains committed to maintain and improve its relationships with Water Services Authorities (WSAs) and other stakeholders within the service area. LNW will provide support to WSAs on cost recovery issues and water demand management and conservation and other water related issues through Water Services Level Agreements (WSLAs). This will enhance the ability of the WSAs to contribute towards poverty alleviation, growth, and economic development within the framework of their Integrated Development Plans (IDP) and Water Services Development Plans (WSDP) and the District Development Model (DDM).

LNW is also committed to good governance and will continue the quest to eradicate all forms of transgressions and/or maladministration whenever identified. The maintenance of fraud hotline remains key to ensuring that all fraud and corruption related matters are anonymously reported. Risk management will continue to be prioritised in the financial year ahead. To this end, the 2023/24 Enterprise-Wide Risk Profile has been reviewed, and the Board by this plan.

It is worth mentioning that as the Board we have achieved an unqualified audit opinion with two matters of emphasis in the 2021/22 financial year. The intention of the board is to achieve unqualified audit opinion without matters of emphasis. Strategies and implementation plans have been put in place for closing all the gaps that affected the audit report. We have also approved the budget for the upgrade of the SAP system to eliminate manual processes that often led to errors that negatively affected the audit report.

Climate change is an accepted threat to the sustainability of water supplies. LNW will therefore continue to participate and support the on-going research and monitoring of the effects of climate change in Limpopo Province and country at large with relevant and/or identified interventions.

The continuous interaction between the Board, the Minister of Water and Sanitation and Senior Management strengthens the relationship and has contributed towards the improved performance in the execution of the mandate. The Board is committed to aligning the Policy Statement and Shareholder Compact to the policies of Government so that it becomes a true delivery instrument.

The Board further commits to the effective and efficient supply of bulk water services and will continue to strive to make LNW a leader in water services provision.

DR NF MPHEPHU
CHAIRPERSON OF THE BOARD

**THE CORPORATE PLAN OF
LEPELLE NORTHERN WATER
PREPARED IN COMPLIANCE WITH SECTION 40 OF THE WATER
SERVICES ACT, 108 of 1997**

1 VISION

Changing lives through the provision of sustainable bulk water services

2 MISSION

Provision of quality and sustainable water services to our customers.

3 VALUES

LNW upholds the values underpinned by the eight Batho Pele principles in the management of its operations and the manner in which it conducts its business.

The values guiding our business are:

VALUE	DEFINITION
Excellence	Performing responsibilities above expectations as set out in the Corporate Plans
Integrity	Acting and conducting ourselves with honesty
Accountability	Willingness to accept responsibility of our own actions
Agility	Our response to changes or operational challenges will be acted upon promptly.
Innovation	Looking at new ways to provide services

4 BUSINESS PRINCIPLES

Lepelle Northern Water has developed guiding business principles through which the organisation will engage both internal and external stakeholders. The guiding business

principles are reliability, collaborative, and accountability and are consolidated in Figure 4-1 below:



Figure 4-1: Guiding business principles

4.1 RELIABILITY

LNW will operate with predictable and repeatable systems that support consistent operations while catching and correcting potentially catastrophic errors before they happen. The organisation will be characterised by constant state of awareness to recognise errors quickly and intervene before they become catastrophic and impact safety.

The intention is to improve our production through the elimination of unwarranted variation in service delivery — while also improving maximising the outcomes and reducing costs. Reaching this level of operational excellence frequently requires a transformation of culture — fundamentally changing the attitudes, beliefs, goals and values of an organisation. Key departments are already working on the organisational culture to ensure uniform approach in the provision of reliable water supply.

4.2 COLLABORATIVE

LNW will always make an effort to collaborate with its clients and all the key stakeholders to forge and positively work towards the common objective. LNW will ensure that it engages all key stakeholders in honesty and willingness to change to make water services deliver better and where applicable complete projects collectively for the benefit of all.

4.3 ACCOUNTABILITY

LNW has defined its vision, mission, values, and business principles, and will therefore hold all the employees and executives responsible for accomplishing the vision, completing assignments with precise decisions that will deliver on the expectations within and outside the organisation. LNW accountability will revolve around the following principles:

4.3.1 Set expectations from the initial stages

The foundation of accountability is defining clear roles, responsibilities, leadership structure, and clarity of ownership of projects and strategic outcomes. LNW will ensure that there is clear communication and transparency in decisions to succeed in this fundamental step. LNW will involve its employees from planning to the completion of any project whether soft or hard, sharing sessions of both successes and failures will be established to ensure that the organisation is seeing things from the same platform.

4.3.2 Outcome-focused accountability

One of the most important steps, is getting employees to see how their individual contributions play into LNW's bigger vision, mission, and values. The organisation will ensure that leaders conversations and one-on-one meetings with employees are

implemented because they are instrumental in casting vision, helping employees see how their work is an important puzzle piece in the organisation's goals.

4.3.3 Filling positions with right people

LNW acknowledges that accountability belongs to everyone within the organisation. When the LNW succeeds, the organisation recognises and reward employees who followed guidelines, acted appropriately, and met or exceeded expectations. It is therefore imperative that LNW appoint the right people who at every level are willing to align themselves with the organisation's vision and mission.

4.3.4 Communicate with transparency

LNW regards transparent communication as more than being open and honest with employees. The organisation will strengthen the current communication standards, norms, and expectations. This approach will create a safe space for honest dialogue, providing consistent and constant communication, and proactively seeking feedback.

4.3.5 Be accountable

LNW recognises that accountability starts with the leaders and management of the organisation. This means that the organisation will ensure that it demonstrates all traits of leadership and management with integrity, discipline, and respect. The leadership will strengthen the relationship with employees through sharing of the progress, challenges, and solutions of its own tasks, thus model accountability and transparency for LNW employees.

5 LEGISLATIVE AND OTHER MANDATES

5.1 CONSTITUTIONAL MANDATES

LNW has a constitutional mandate to provide basic services to the communities of South Africa according to the Bill of Rights under Section 27 of the constitution of the Republic of South Africa states that:

- (1) Everyone has the right to have access to –
 - (a) health care services, including reproductive health care.
 - (b) sufficient water and food; and

(c) social security, including, if they are unable to support themselves and their dependents, appropriate social assistance.

(2) The state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realisation of these rights.

The state has therefore mandated the Department of Water and Sanitation (DWS) to ensure that the people of South Africa are provided with this basic right i.e., water. The DWS has then established and mandated its entities (Water Boards amongst others) which LNW is amongst to provide bulk water services to the Water Services Authorities and industries on its behalf.

5.2 LEGISLATIVE MANDATES

5.2.1 Water Services Act 108 of 1997

LNW was established on 1st April 1997, in terms of Chapter Six (6) of the Water Services Act, No 108 of 1997. The Minister of Water and Sanitation as the Executive Authority appoints the Board, which is the Accounting Authority. The act further places the responsibilities to LNW in that it is required to provide water services to other water services institutions within its service area.

5.2.2 National Water Act 36 of 1998

The purpose of this Act is to ensure that the nation's water resources are protected, used, developed, conserved, managed and controlled in an effective and efficient manner. In line with this Act LNW has an obligation to implement water conservation and water demand management to contribute to conservation, management and effective and efficient use of the water resources.

5.2.3 Public Finance Management Act 29 of 1999 (as amended)

The purpose of this Act is to regulate financial management in the national government and provincial governments including the public entities as listed in schedule 3 under Part B: Government Business Enterprises. LNW is required to submit its five (5) year corporate plan and the annual report to National Treasury through the DWS annually.

5.2.4 Municipal Finance Management Act 56 of 2003

The purpose of this Act is to secure sound and sustainable management of financial affairs of municipalities and other institutions in the local sphere of government. Since LNW is also operating within the local sphere of government by providing water services to Water Services Authorities, it is obliged to comply with Sections 41 and 42 of this Act in carrying out its duties.

5.3 POLICY MANDATES

5.3.1 National Development Plan (NDP)

National Development Plan (NDP) in chapter four (4) highlights the need for the development of the sustainable economic infrastructure in which amongst others includes water infrastructure as the economic catalyst. LNW has continuously implemented its own capital programme and on behalf of other institutions such as DWS and Water Services Authorities.

Furthermore, the NDP 2030 mandated the DWS to establish the Regional Water Utilities in order to effectively and efficiently provide water and sanitation services in an equitable manner. to this effect LNW has geared itself to assume the responsibility and functions of the regional water utility within its area of operation.

5.3.2 National Water Policy Review (2013)

Cabinet has approved the National Water Policy that has a chapter on the establishment of the Regional Water Utilities (RWUs). This has led to the reduction of the number of Water Boards from twelve (12) to nine (9). Lepelle Northern Water is amongst the remaining nine (9) Water Boards that will be converted to the RWUs. Amongst the policy positions taken in the revised water policy are that:

- The Minister is responsible for Region Bulk Infrastructure, including master planning and its functioning.
- The functions of the Regional Water Utility will be to plan, build, operate, support and maintain Regional Bulk Infrastructure.
- Regional Water Utility institutional arrangements will be appropriate to the area of operation.
- A Regional Water Utility must be established based on clear principles such as financial sustainability and clear funding mechanism and clarity on requirements for

addition fiscal support to build, operate and maintain Regional Bulk Infrastructure in the area of need.

- The Minister may issue a directive for a Regional Water Utility to address water infrastructure development and/or maintenance needs in an area.

LNW has in line with the new policy revised its vision, mission and the strategic objectives as well as the organisational structure to respond appropriately to the policy.

5.3.3 National Water Resources Strategy (2013)

The purpose of this strategy is to provide a framework within which the national water resources will be used, developed, conserved, managed and controlled through the establishment of the institutions such as Catchment Management Agencies and the Water Users Associations. LNW has been appointed by the DWS to manage some of the national water resources where the Catchment Management Agencies have not been established yet.

5.3.4 Sustainable Development Goals

The Sustainable Development Goals (SDGs) are a global call to action to end poverty, protect the earth's environment and climate, and ensure that people everywhere can enjoy peace and prosperity. Lepelle Northern Water identified SDGs below where it will be able to contribute in line with the strategic outcomes that have been approved by the board as a contribution to South Africa and the United Nations at large.

SDG 6.1 – achieve universal and equitable access to safe and affordable drinking water for all.

SDG 6.2 – achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women, girls and those in vulnerable situations.

SDG 6.3 – improve water quality by reducing pollution, eliminating dumping and minimising the release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally.

SDG 6.4 – substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water stress and supply of

freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.

SDG 6a – expand cooperation and capacity-building support to developing countries in water- and sanitation-related activities and programmes, including water harvesting, desalination, water efficiency, wastewater treatment, recycling and reuse technologies.

SDG 6b – support and strengthen the participation of local communities in improving water and sanitation management.

5.4 RELEVANT COURT RULINGS

The matter between Phambane Mokone vs LNW. Phamabane Mokone Inc instituted a legal action against LNW seeking an order from the Court to join former members of the Interim Board of LNW in the main review application instituted by LNW against Phambane Mokone regarding the Mopani District Municipality debt collection contract and the forensic Investigation by Phambane Mokone Inc. Phamabani wanted to join board members in order to ask for cost orders against them. The application was heard on the 23 November 2021 and was dismissed with costs by the Court.

On the 15 September 2021 the Arbitration between Phambane Mokone and LNW was heard by the Arbitrator regarding the payment dispute declared by Phambane Mokone. The arbitrator dismissed the application by Phamabne Mokone to proceed with arbitration with costs whilst the Review Application is pending.

Tshenolo Waste vs Lepelle Northern Water: Tshenolo Waste instituted contempt of court proceedings against Falaz General Trading and Construction (“FALAZ”) and Lepelle Northern Water (“LNW”) for failing to implement a court order issued by the High Court of Polokwane ordering FALAZ to submit audited financial statements. The Court ordered FALAZ to submit the audited financial statements within 7 days and granted a cost order against FALAZ. The State Attorney and Advocate are in working on the matter.

5.5 PERFORMANCE ENVIRONMENT

LNW is operating in a province with scarce water resources requiring that the entity optimise the little water that is available. Furthermore, the entity is operating within municipalities that have high rate of indigents and high rate of unemployment. These

means that LNW has the responsibility of setting tariffs that is affordable yet sustaining the existence of the organisation. Recently the major economic areas of Limpopo have experienced unprecedented population growths whilst the rural areas have not necessarily decreased in population. These growths have placed LNW's water resources under strain and therefore require LNW to even better manage its resources and optimise the production and distribution of the available water and find new sources of water.

Most of the water and wastewater infrastructure in the municipalities have reached their maximum capacities and are dilapidated. These has prompted Lepelle Northern Water to work closely with municipalities through their IDP processes to support them in the operations and maintenance, as well as upgrades where applicable, to reduce these backlogs to ensure that people are afforded access to basic needs as per the Constitution of South Africa.

In recent times, LNW have witnessed protests by communities for lack of water services by WSAs, this has placed even more urgency on all involved in water service provision to address the needs of the communities. LNW has developed a comprehensive capital refurbishment programme to ensure infrastructure is developed in our areas of supply to continue providing water services to the communities in need. The implementation of this programme is however very much dependant on the availability of funds to execute the work. Collaboration within the sector is crucial for the continued supply of water services in all areas of Limpopo.

5.6 ORGANISATIONAL ENVIRONMENT

5.6.1 Governance of the Entity

5.6.1.1 Board

The Minister of Water and Sanitation is the executive authority of LNW. The board is its accounting authority. The board is appointed by the Minister of Water and Sanitation to whom, it is accountable. It ensures the development of business strategies, policies and procedures, monitors and reviews Management's implementation of these policies and procedures.

The Board was appointed on the 4th of August 2021 to provide oversight for the next four years. The board is comprised of Eleven non-executive members and the Chief Executive as ex-officio member in terms of Schedule 1 of the WSA No 108 of 1997

Delegation of Authority

The organisation has a duly approved delegation of authority to improve corporate governance at LNW.

Board and Committees Charters

The Board has adopted board committees' charters detailing the board and committees' roles and responsibilities.

Code of Ethics

The Board has approved the Code of ethics for Board Members, Managers and Employees. This code is intended to regulate the conduct between peers, Board members and officials, management and their staff and officials and consumers. The code also provides for proper channels of communication and for orderly procedures and conduct during meetings.

Meetings of the Board

The Board together with executive management meet on a quarterly basis to perform fiduciary duties as required by the corporate governance instruments such as King III, Protocol on governance of SOEs and mainly PFMA.

5.6.2 Board Members Profiles

Dr NF Mphephu (Chairperson)

Dr Mphephu brings to the board technical and business experience in environmental management, SHERQ management system, research & development, stakeholder management, strategy and business management. He is a registered member of the South African Council for Natural Scientific Professions (SACNASP).

He holds the qualifications of Doctor of Philosophy (PhD) in Environmental Science and Master of Business Administration (MBA) degree and has obtained Certificates in Advanced Labour Law; SAMTRAC and Environmental Law. He has served extensively in the capacity as executive member of various institutions.

Dr PE Molokwane

Dr Molokwane is a registered Nuclear Physicist, Water and Environmental Engineering Specialist Professional. She boasts over 16 years of expertise and experience in groundwater remediation, research in nuclear process and solid waste strategies, solutions and technologies, petroleum and energy industry. She has an extensive corporate governance experience. She served on the advisory body to the President of SA, the NPC.

She was the commissioner responsible for Science and Technology, Chairperson of water task and chairperson of Professional Capable state and Active Citizenry. She served/s on the boards of South African Forestry Company SOC Limited (SAFCOL), IUCMA, Sedibeng Water Board, Nuclear Energy Corporation of SA (NECSA) and ESKOM SOC Limited, SANBI, PIC (Nominee Director), Sublime Technologies and steering committees and panels within the Science and Innovation and Water Departments. To date she has authored 38 peer reviewed papers and four chapters.

She holds a PhD degree in Chemical Technology (Chemical Engineering), an M.Sc. (ARST), a Post-Graduate Diploma in Applied Radiation Sciences and Technology and a B.Sc. (Physics and Chemistry).

Dr MSM Soni

Dr Soni's experience is in the construction sector where he has occupied various senior positions in both the private and the public sector. He is also registered as a Professional Construction Manager (Pr CM) and as a Professional Construction Project Manager (Pr CPM) with the South African Council for Project and Construction Management Professions (SACPCMP) here in South Africa, as a Chartered Construction Manager (FCIOB) with the Chartered Institute of Building (CIOB) and as a Chartered Project Management Surveyor (FRICS) with the Royal Institute of Chartered Surveyors (RICS) both in the United Kingdom (UK).

Dr Soni holds a Doctor of Philosophy (PhD) in Construction Management, a Master of Science (MSc) in the Built Environment specializing in Project Management, a Master of Business Administration (MBA), a Bachelor of Science (BSc) with Honours (Hons) in Construction Management, a Bachelor of Technology (BTech) in Construction Management, a National Diploma in Building as well as a certificate in Municipal Financial Management from various academic institutions in South Africa.

Dr FR Munyai

Dr Munyai is a seasoned professional researcher and strategist in business operations in both the public and private sectors and has spent more than 30 years of her career contributing in a number of senior management roles in Government and worked for various institutions, including a public entity, a university and a college. She serves as a Councillor of the SAVC. She is the Chairperson of the Heritage and Transformation of the Professions Committee and Education Committee and member of the Food and Safety Committee as well as Standards Committee.

She holds qualifications from various higher learning institutions within South Africa, being an MBA, PhD (Agriculture), MSc Agriculture, BSc Agriculture (Hons), BSc Agriculture.

Adv. MM Makgopa-Madisa

Advocate Makgopa-Madisa offers extensive experience in legal and regulatory services, ethics and governance in the public sector and public entities. She holds a Bachelor of Laws degree (LLB); a Master of Laws (LLM) in Corporate Law and a Certificate in Public Finance for Non-Financial Managers. She is a qualified mediator and a member of the NGO, Mediation in Motion (MiM).

Adv. RT Ramashia

Advocate Tlou is an admitted attorney of the High Court of South Africa. He has vast experience in legal advising, among others, and general support to local government. He also has in experience research and development and speech writing. He is chairperson of the School Governing Body of Noordskool. He holds a Bachelor of Laws degree (LLB) and a Master of Laws (LLM) in Corporate Law.

Mr TJ Mathebula

Mr Mathebula brings to the board experience in business administration, development planning and management. He also serves as Executive Director of Vibrant Veterans Mineral Resources (Pty) Ltd. He has experience in business, politics, mining and property development. He has further served as President of The Black Management Forum Limpopo and the Polokwane Golf Club. He has held directorships in both the business and public sectors.

He has a Bachelor of Administration degree and Certificate in Marketing from UNISA and recently obtained the Post Graduate Diploma in Business Administration from the UNISA Graduate School of Business Leadership. He holds an Executive Development Program from Wits Business School.

Mr MM Magoele

Mr Magoele is a qualified CA (SA) and an expert in financial management specialising in technical IFRS, Annual Financial Statements, cash flow and audit coordination at group level. He has also completed technical programmes in Enterprise Risk Management with National Treasury and Outcome-Based Monitoring and Evaluation with the University of Pretoria. He is currently serving in non-executive roles at Letaba TVET College: Audit and Risk Committee, South-West Gauteng TVET College: Council Member, Finance Committee (chairperson) Audit and Risk Committee.

Ms FJ Mudau

Ms Mudau has more than 10 years' experience and a wealth of knowledge in public finance, auditing, risk management, public sector procurement and compliance with various prescripts. She has also served in the Limpopo Government shared service cluster of the Departments of Treasury, Social Service and Education as a member of the Audit Committee. She is serving as a member of the Audit and Risk Committee of the National Department of Transport and as Chairperson of the Shared Audit and Performance Committee of Nkangala District Municipality.

She holds a Master Degree of Business Leadership, a Bachelor of Commerce Degree as well as Certificates in Fraud Risk Management, Risk Management: Principles and Practices, Government Finance and Programme Management Development. She is a registered member of the South African Institute of Public Accountants (SAIPA), Institute of Municipal Finance Officers and Institute of Directors South Africa.

Ms S Chiloane-Nwabueze

Ms. Salome Chiloane-Nwabueze is presently working for the Development Bank of Southern Africa (DBSA) responsible for providing technical support to under resourced municipalities and providing the Non-Lending Development Subsidy to unlock grant funding, economic development, and revenue enhancement of under resourced municipalities. Prior to joining DBSA, she was working at Agreement South Africa as the Technical Group Leader for Research and Development providing strategic direction and leadership in the research and

development of non-standardised construction products and systems. Her experience also stems from various local and national government departments as well as Rand Water. Her area of expertise is in the water, sanitation, civil engineering, project management, monitoring and evaluation, research, governance, as well as strategy formulation and implementation.

She holds a Master of Science in Civil and Environmental Engineering (MSc Eng.) degree obtained from the University of Witwatersrand and a Master of Business Administration (MBA) obtained from the University of North-West. Ms. Salome Chiloane-Nwabueze has over 10 years' experience within the water sector, and she also serves on public and private sector Boards.

Ms B Mahlutshana

Ms Mahlutshana has held CEO positions in the public transport space and has spent the past 20 years in various leadership and executive positions, having been involved in development finance and public transport sectors. She has gained critical experience in financial management and administration for municipalities from various institutions advisory role on debt restructuring and overall financial assessment and viability. She gained critical skills in BBBEE financing and advisory as well as private equity investing. She is a Non-Executive Director in several companies.

She holds a Bachelor of Commerce in Business Management, a Bachelor of Commerce Honours in Financial Management and a post graduate Diploma in Municipal Governance

Ms. M Sebela (Company Secretary)

Ms M Sebela brings invaluable knowledge, skills and experience in the administration of boards, board committees and executive management, which entails among others, ensuring proper compilation and timely circulation of relevant board, board committee and executive management meeting packs, monitoring and raising matters that may warrant the board's attention and assisting the board with their yearly evaluations (including its directors). She holds a National Diploma in Public Management and a B-Tech also in Public Management.

5.6.3 Board Committees and their roles

Table 5-1: Board Committees and their roles

HR, SOCIAL AND ETHICS COMMITTEE	INFRASTRUCTURE, OPERATIONS AND STAKEHOLDER COMMITTEE	AUDIT & RISK COMMITTEE	FINANCE COMMITTEE
Members Mr. TJ Mathebula Adv MM Makgopa-Madisa Dr F Munyai Chief Executive (Ex-Officio)	Members Dr M Soni Ms. S Chiloane-Nwabueze Dr P Molokwane Chief Executive (Ex Officio)	Members Mr. I Vally (External Chairperson) Mr. SA Ngobeni (External Member) Ms. FJ Mudau Adv RT Ramashia	Members Mr. M Magoele (CA) (SA) Ms. B Mahlutshana Ms. Y Pamla (External Member) Chief Executive (Ex Officio)
Invitees GM: Corporate Services Chief Financial Officer Chief Risk Officer	Invitees Chief Financial Officer GM: Operations & Maintenance GM: Engineering Services Manager: Strategy & Planning	Invitees Chief Executive (Ex Officio) Chief Financial Officer Chief Risk Officer Chief Audit Executive Manager: Strategy & Planning ICT Manager Legal Advisor	Invitees Chief Financial Officer
Role To review and recommend for approval to the Board, amongst other matters relating to recruitment, remuneration, human resource policies, and employee benefits, labour related issues, ICT and Social and Ethics transformation related issues in terms of King III and IV reports.	Role To ensure execution of LNW legislative mandate and the fulfilment of its mission. The Committee is also responsible for the development and maintenance of LNW infrastructure.	Role To ensure adequacy and effectiveness of system of internal control, accounting practices information systems and auditing process applied in the day-to-day management of LNW; and to monitor compliance with the relevant Acts, legal review annual report, financial statements and that financial information and practices are in compliance with GRAP.	Role To ensure, amongst others, effective and efficient financial management, a fair, equitable, transparent, competitive, and cost-effective procurement and provisioning system, budgeting process, co-ordinate financial inputs into strategic plans, oversee the development of the Annual Financial Statements. Ensure compliance with the PFMA and Treasury Regulations.

5.6.4 Executive Management and Support Staff

LNW has commenced with the partial implementation of the revised organisational structure which comprises:

Chief Executive

The incumbent is responsible for setting and executing the organisation's business strategy, allocating capital, building and overseeing the executive team. He further

drives profitability, managing company organisational structure, and communicating with the board.

Chief Financial Officer

The incumbent reports to the Chief Executive (CE) and is responsible for all cash management, investments, insurance, budgeting, and financial reporting, and help drive the organisation's financial strategy as well as Supply Chain Management.

General Manager: Operations and Maintenance

The incumbent reports to the Chief Executive (CE) and is among others responsible for the operations and maintenance of the bulk distribution systems of water and wastewater, research and development, environmental protection, efficient and economic production systems and supply of safe and quality drinking water.

General Manager: Engineering Services

Reporting to the Chief Executive, the incumbent is responsible for the strategic management of engineering services according to the approved business plans and engineering standards in support of organisation's vision, mission and strategic goals. He is also responsible for overseeing the implementation of the capital and refurbishment projects undertaken by LNW.

General Manager: Corporate Services

Reporting to the CE, the incumbent is responsible for the organisation's corporate services strategy and provides administrative support to line management in the execution of the mission and vision of LNW. To this effect, the key functions will include amongst others Human Resources Provisioning, Human Resources Utilisation and Human Resources Maintenance including Employee Wellness Programme (EWP), spearheading the transformation and Change Management Programme within LNW, administration, and Information Technology.

Chief Audit Executive

The incumbent is responsible for managing the internal audit function, evaluation of internal control systems, providing consulting services to management and advice management, the audit committee and board on matters pertaining to internal control systems. Over and above administratively reporting to the Chief Executive (CE), the incumbent also reports functionally to the Risk and Audit Committee and the Board.

Chief Risk Officer

The incumbent is responsible for managing the risk management function, advising the Risk and Audit Committee and Chief Executive on matters relating to risk management, coordinating and facilitating risk management processes including the development of the risk management strategies and plans to mitigate such risks. Over and above administrative reporting to the Accounting Officer, the incumbent also reports to the Risk and Audit Committee.

Company Secretary

The incumbent is responsible for the overall corporate secretariat function. This includes supporting management, the Chairperson and board members in meetings and also oversees the record keeping of all meeting proceedings. Over and above administratively reporting to the Chief Executive (CE), the incumbent also reports functionally to the Board.

Strategy and Planning Manager

The incumbent is responsible for the overall strategic planning and business growth and enhancement of the organisation through corporate planning processes and assessments of marketing opportunities respectively. At strategic level the incumbent coordinates review and compile the corporate documents (i.e., corporate plan, shareholders compact, policy statement and the annual report) for approval and submit to relevant institutions. On the business growth aspect, the incumbent liaises with the DWS institutional reform team for the conversion of the board into regional water utility in the near future.

5.7 AREA OF SUPPLY

The area of supply of LNW covers entire 125 754 square kilometres of Limpopo province's surface area. LNW is currently covering 51 776 square kilometres, which is 41% of the total area. This translate to LNW providing bulk water to the population of approximately 4 220 119 through the municipalities that we are contracted with, i.e., 70% of the total population (6 015 000) of Limpopo. Having been reconfigured to cover the entire province, it is envisaged that LNW will increase its service area to cover the additional or remaining parts of the province.

5.8 PRIMARY ACTIVITIES

Bulk Water Supply

The entity's primary business activity is to provide bulk water services to water services institutions and industries in its service area. The Board plans to increase its supply of bulk water services to the rest of the province in line with institutional realignment initiated by DWS.

Institutional Realignment

The Minister of Water and Sanitation has reconfigured all the water boards within the country. Lepelle Northern Water has been reconfigured to cover the entire Limpopo province with bulk water and wastewater supply. This is part of the implementation of NDP 2030 on the Regional Water Utility approach and the National Water Policy Review (NWPR) which also strengthen the notion of having the Regional Water Utility in the Province. This process will among others facilitate the decision taken by the DWS and Cabinet to transfer the over R100 million worth schemes to the Regional Water Utility which among others include:

- Middle Letaba scheme, which serves both Vhembe and Mopani District Municipalities.
- Olifants River Water Development Project which currently serves Sekhukhune District and will in future serve Polokwane Municipality, Capricorn District Municipalities; and Mogalakwena Local Municipality
- Nandoni Scheme which currently serves Vhembe and will in future serve Mopani and Capricorn District Municipalities.
- Thabina, Nkowankowa, Tours schemes in Mopani District Municipality
- Xikundu, Malamulele East and Vondo in Vhembe District Municipality

It must also be pointed out that LNW is currently operating and maintaining the Nandoni Plant and signed a ten (10) Service Level Agreement (SLA) with Vhembe District Municipality to supply them with bulk potable water from the scheme.

Industrial Water Supply

LNW supplies industrial water to the mining and heavy industries in the Ba-Phalaborwa municipality.

As part of the ORWRDP, LNW will be operating and maintaining all the bulk potable infrastructure that will be supplying from this system to various municipalities within the

province, namely, Mogalakwena, Sekhukhune, Polokwane Local and Capricorn District municipalities.

The pipeline systems used for potable and industrial water distribution are designed in such a way that any possible contamination of the different classes of water is eliminated.

5.9 SECONDARY ACTIVITIES

In addition to the primary activity, the LNW also has the capability to support Water Services Authorities and the Department of Water and Sanitation in the following areas:

- Internal reticulation services, cost recovery and revenue management.
- Implementation of capital water infrastructure projects on an agency basis.
- Commercialising laboratory services to external clients.

Water Quality and Environment Management

Compliance with the national water quality and effluent standards is of utmost importance. The quality of the distributed water is monitored and recorded on an on-going basis by LNW's Quality Assurance Section. Any non-compliance is immediately reported to the responsible manager. Similarly, this procedure applies to the discharge of treated effluent from wastewater treatment plants. LNW is ISO 14001 certified in the schemes that it is currently operating.

Treatment Standards: In all cases reporting to the authorities is done as required in the abstraction and discharge permits, and in the event, that some of the LNW's sewage purification plants cannot consistently produce effluent complying with the standard quality requirements due to technical or capacity restrictions, LNW will seek exemptions from the authorities until the underlying problems can be addressed with plant extensions, process modifications etc. LNW has however also set internal water and effluent standards exceeding the current general water quality and effluent standards.

LNW participates fully in the Blue and Green Drop initiative by DWS to ensure that potable water complies with SANS 241 (latest version) and wastewater effluent to the General Standards.

Management of Non-revenue Water (NRW)

Management of non-revenue water (NRW) is made up of a combination of commercial and physical losses (due to pipe leakages, possible reservoir overflows etc.). Due to the refurbishment and/or replacement of its bulk infrastructure LNW has managed to maintain its overall NRW over the past years to an average of less than 10% (below the global benchmark of 10 – 15%) and will continue to maintain and/or improve where practical.

In conjunction with the attention given to infrastructure upgrade LNW also enhanced its use of telemetry and cell phone technology to monitor reservoir levels and flow meters. It is aimed to have all major meters connected to either telemetry or to a cell network in order to have an automated meter reading and water balance system in place. LNW is currently implementing the automated metering in Flag Boshielo and Politsi schemes in on all meters equal or larger than 100mm in diameter.

LNW has standardised where practical the use of magnetic flow meters, which have an accuracy of $\pm 0.2\%$, as opposed to mechanical meters that have an accuracy of $\pm 4\%$ at best.

Financial Matters

The policies and procedures are compiled in line with the guidelines of King IV report, PFMA and other relevant legislation. These policies and procedures form the basis of LNW's internal control systems and are revised from time to time to conform to constant changes in policy and legislation. LNW is working on migrating from a semi-auto system to a fully-fledged automated Enterprise Resource Planning (ERP) system that will ensure harmonisation of all the business processes within the organisation.

Human Resources

LNW values its staff and believes in continuous skills development and capacity building. Constant consultations with organised labour and other relevant stakeholders are also critical. Redesigning the organisational structure of LNW will enhance the buy-in of all employees towards change and transformation in line with the broader changes taking place within the water sector.

Environmental Matters

LNW takes cognisance of the needs of the environment and ensures that all its project implementation is undertaken within the guidelines of the environmental impact assessment framework. To this end, the following steps have been taken and are being maintained:

- The proper use of settling ponds to improve the quality of water used in backwashing filters which is reused either in the irrigation system of the lawn in the plant or back to the head of works for treating the water to potable standard again.
- Recycling of settled water from the sludge ponds on the water treatment plants in order to reduce plant losses and abstraction quantities.
- Financing of a comprehensive silt management study in order to determine and minimise the impact of silt releases from the Phalaborwa Barrage into the Kruger National Park.
- Disposing of spent fluorescent tubes and printer cartridges via waste management specialists.
- Removal of alien plant species through the Working for Water Program.
- Continued monitoring of raw water quality in the rivers.
- The installation of solar heating devices and any geyser blankets.
- Growing the Vetiver grass at water treatment plants and wastewater plants to prevent soil erosion.
- Procured waste stations for the head office and all plants for segregation of waste and recycling thereof.

Water Quality and Environment Management

Compliance with the national water quality and effluent standards is of utmost importance. The quality of the distributed water is monitored and recorded on an on-going basis by LNW's Quality Assurance Section. Any non-compliance is immediately reported to the responsible manager. Similarly, this procedure applies to the discharge of treated effluent from wastewater treatment plants. LNW is ISO 14001 certified in the schemes that it is currently operating.

Treatment Standards: In all cases reporting to the authorities is done as required in the abstraction and discharge permits, and in the event, that some of the LNW's sewage purification plants cannot consistently produce effluent complying with the standard

quality requirements due to technical or capacity restrictions, LNW will seek exemptions from the authorities until the underlying problems can be addressed with plant extensions, process modifications etc. LNW has however also set internal water and effluent standards exceeding the current general water quality and effluent standards.

LNW participates fully in the Blue and Green Drop initiative by DWS to ensure that potable water complies with SANS 241 (latest version) and wastewater effluent to the General Standards.

5.10 STRATEGIC OUTCOMES AND POLICIES

LNW aims to supply the people of Limpopo Province with cost effective water of the highest quality in a sustainable basis. Further provide adequate sanitation services through the operation and maintenance of wastewater treatment works on behalf of municipalities. The people are supplied via District or Local municipalities whichever is recognised as the Water Services Authority (WSA), while LNW supply the WSAs with potable bulk water. Large industries will be supplied by LNW with industrial or raw water depending on the nature of the industry concerned. The conservative use of water and water demand management is being promoted at all times to ensure a continuous adequate per capita supply. This include those areas where the availability of water is limited and where certain members of the community misuses water, thereby preventing the supply to others.

Established policies, systems and procedures which are appropriate for the organisational business and operations will be utilised. These policies, systems and procedures will all be reviewed regularly to assess whether they assist in achieving the objectives of the organisation in line with the best practices or industrial norms.

A strategic planning review session was held in November 2022 to assess the progress made since the last strategic session held in November 2021 to develop strategies on how to overcome the challenges experienced during the same period. The Board has maintained the following strategic objectives as key to its business:

Strategic Outcome 1: Provision of equitable and sustainable bulk water services.

Strategic Outcome 2: Bulk Water Services Infrastructure planning and development.

Strategic Outcome 3: Effective financial viability and sustainability.

Strategic Outcome 4: Effective and efficient organisational development processes and practices

Strategic Outcome 5: Good governance and clean administration

Furthermore, the LNW strategic outcome have been aligned with the strategic objectives and priorities of the Department of Water and Sanitation as highlighted below:

5.11 ALIGNMENT OF DWS GOALS AND LNW STRATEGIC OBJECTIVES

Lepelle Northern Water reports to the Department of Water and Sanitation in line with their annual performance plan. The table below indicates the DWS outcomes and outputs that are addressed by the LNW strategic objectives and their respective key performance areas. The first and second columns have the DWS outcomes and outputs respectively while the third and fourth columns have the strategic objectives and key performance areas respectively, showing how each outcome and output of the DWS are addressed by the LNW strategic objectives and key performance areas.

Table 5-2: LNW strategic outcomes in line with DWS goals and strategic objectives

No	OUTCOME	OUTCOME INDICATOR	LNW STRATEGIC OUTCOMES	LNW STRATEGIC KEY FOCUS AREAS
1.	Efficient, effective and development orientated department	1.1. Percentage compliance with corporate governance regulatory prescripts	Good governance and clean administration	• Compliance
		1.2. Annual Communication, Stakeholder Management and Partnership Programme implemented	Good governance and clean administration	• Corporate Brand identity and Image
		1.3. Targeted procurement supporting SMMEs	Effective financial viability and sustainability.	• Sound Financial Management
		1.4. Percentage implementation of the financial recovery and turnaround plan	Effective financial viability and sustainability.	• Sound Financial Management
		1.5. Percentage implementation of Annual International Relations Programme	Good governance and clean administration	• Corporate Brand identity and Image
2.	Ecological infrastructure protected and restored	2.1. Number of river systems with water resources classes and determined resource quality objectives	Provision of equitable and sustainable bulk water services	• Water Quality Compliance • ISO 14001 compliance
		2.2. Number of rivers in which the River Eco-status Monitoring Programme is implemented	Provision of equitable and sustainable bulk water services	• ISO 14001 compliance

No	OUTCOME	OUTCOME INDICATOR	LNW STRATEGIC OUTCOMES	LNW STRATEGIC KEY FOCUS AREAS
		2.3. Number of main stem rivers monitored for implementation of Resource Directed Measures (i.e., classification, resource quality objectives and the reserve) by 2025	Provision of equitable and sustainable bulk water services	<ul style="list-style-type: none"> • ISO 14001 compliance
		2.4. Wastewater management plans developed and implemented	Provision of equitable and sustainable bulk water services	<ul style="list-style-type: none"> • Water Quality Compliance
3.	Water Demand reduced and water supply increased	3.1. Water conservation and water demand management strategies developed for water use sectors.	Provision of equitable and sustainable bulk water services	<ul style="list-style-type: none"> • Water Loss Management
		3.2. Water resource mix diversified	Provision of equitable and sustainable bulk water services	<ul style="list-style-type: none"> • Water Quality Compliance • ISO compliance
4.	Water and sanitation services managed effectively	4.1. Annual Municipal Strategic Self-Assessment (MuSSA) reports on water service authorities' performance in providing water and sanitation services	Good governance and clean administration	<ul style="list-style-type: none"> • Compliance
5.	Enhanced regulation of the water and sanitation sector	5.1. Green Drop report on wastewater systems' compliance with regulatory requirements	Provision of equitable and sustainable bulk water services	<ul style="list-style-type: none"> • Infrastructure Efficiency and Effectiveness
		5.2. Blue Drop report on water supply systems' compliance with regulatory requirements	Provision of equitable and sustainable bulk water services	<ul style="list-style-type: none"> • Water Quality Compliance

The following table depicts an elaboration of the Strategic outcomes (SOs) over a five-year period.

Figure 5-1: Five Year Strategic Outcomes

1. PROVISION OF EQUITABLE AND SUSTAINABLE BULK WATER SERVICES.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
Operational excellence	Enhanced operational efficiency	1.1. Improve Infrastructure Efficiency and Effectiveness	1.1.1. Number of days of unplanned interruptions to bulk supply exceeding 24 hours	PO 3	0.41%	3%	3	3	3	3	3
		1.2. Manage water losses within the scheme	1.2.1. Avoidable water lost as a percentage of water abstracted	PO 2	6.78%	5%	5%	5%	5%	5%	5%
Water quality compliance	Provision of drinking water with excellent quality	1.3. Comply with SANS 241 for drinking water quality (Bulk)	1.3.1. % Acute health microbiological compliance	PO 1	98.7%	98%	97%	97%	97%	97%	97%
			1.3.2. % Acute health Chemical compliance		99,30%	95%	95%	95%	95%	95%	95%
			1.3.3. Aesthetic compliance		N/A	N/A	95%	95%	95%	95%	95%
			1.3.4. % Operational compliance		93,40%	95%	95%	95%	95%	95%	95%

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
			1.3.5. % Chronic health chemical compliance		99,50%	95%	95%	95%	95%	95%	95%
ISO Compliance	Improve environmental performance and compliance	1.4. Comply with ISO 14001 certification	1.4.1. Valid certificate	N/A	Valid Certificate	Valid Certificate	12	12	13	13	13
	Provide a safe working environment for employees	1.5. Comply with ISO 45001 certification	1.5.1. Valid certificate	N/A	Legal compliance report	Legal compliance report	Legal compliance report	Valid certificate	Valid certificate	Valid certificate	Valid certificate

2. BULK WATER SERVICES INFRASTRUCTURE PLANNING AND DEVELOPMENT.

STRATEGIC FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
Infrastructure development	Reliable water services provision	2.1. Expand and renew water infrastructure	2.1.1. Average % Completion of LNw infrastructure projects per approved project execution plan	N/A	89,8%	85%	85%	90%	90%	90%	95%
			2.1.2. Actual capex spent on LNw expansion related projects as % of budget	N/A	N/A	N/A	85%	90%	90%	90%	95%

STRATEGIC FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
			2.1.3. Average % Completion of Ministerial Directives per approved project execution plan	PO 12	66,2%	65%	65%	70%	70%	70%	70%
			2.1.4. Actual capex spent on expansion related projects as % of budget (initiative by the Minister)	PO 4	74%	65%	65%	70%	70%	70%	70%
			2.1.5. Overall % project completion dates within targets	PO 9	N/A	30%	30%	65%	70%	70%	70%

3. EFFECTIVE FINANCIAL VIABILITY AND SUSTAINABILITY.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
Sound Financial Management	Effective SCM Process	3.1. Local economic development (Job creation)	3.1.1. % BBBEE expenditure	PO 7	94%	90%	90%	90%	90%	90%	90%
			3.1.2. Number of new entrants awarded with contracts in the financial year	PO 7	4	5	5	5	5	5	5
	Financial Growth	3.2. Increased Revenue	3.2.1. % Income from secondary activities on turnover	PO 10	9%	5%	5%	5%	5%	5%	5%
			3.2.2. Repairs and maintenance as a % of Property	PO 6	1.65%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
			Plant and Equipment								
		3.3. Profitability Analysis	3.3.1. Gross profit margin (primary activity)	PO 6	53%	48%	50%	51%	53%	53%	53%
			3.3.2. Gross profit margin (secondary activity)	PO 6	98%	5%	5%	5%	5%	5%	5%
			3.3.3. Net profit margin (primary activity)	PO 6	20%	1%	1%	2%	3%	4%	5%
			3.3.4. Net profit Margin (secondary activity)	PO 6	74%	5%	5%	5%	5%	5%	5%
			3.3.5. Return on assets	PO 6	3%	1%	1%	1%	1%	1%	1%
			3.3.6. % Variance of actual Capital Expenditure versus Capital budget	PO 9	5%	10%	10%	10%	10%	10%	10%
	Improved Audit Outcome	3.4. Enhanced control environment	3.4.1. Audit opinion	PO 5	Unqualified	Unqualified	Unquali fied	Clean	Clean	Clean	Clean
	Improved Cash management	3.5. Cost containment	3.5.1. % Variance of actual operational Expenditure (fixed costs) versus operational budget	PO 8	19%	10%	10%	10%	10%	10%	10%

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
			3.5.2. Staff remuneration as % of total operating expenditure	PO 6	34%	35%	35%	35%	35%	35%	35%
		3.6. Improved collection rate	3.6.1. Current ratio	PO 6	1,79	1	1	1	1	1	1
		3.7. Working Capital Management	3.7.1. Debt equity	PO 6	27%	20%	20%	20%	20%	20%	20%
			3.7.2. Debtors' days	PO 6	479	250	250	250	250	200	200

4. EFFECTIVE AND EFFICIENT ORGANISATIONAL DEVELOPMENT PROCESSES AND PRACTICES.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
Staff Levels	Workforce Plan to address the current and future Human Resources needs.	4.1. Hiring and retaining people with the required skills, knowledge and experience.	4.1.1. % Staff Turnover	PO 15	0.78%	2%	2%	2%	2%	2%	2%
Training and Skills Development	Grow the talent and skills	4.2. Increase the supply of talent through skills inventories and succession pools.	4.2.1. Number of Learnership (Beneficiaries)	PO 16	0	30	30	100	100	100	100
			4.2.2. Number of bursary employees enrolled for development	PO 16	98	70	70	70	70	70	70
			4.2.3. Number of employees on graduate programme	PO 16	44	50	50	100	100	100	100

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
			4.2.4. Number of registered employees with professional bodies	N/A	N/A	0	10	20	30	40	50
Job Created	Build a talent pipeline	4.3. Increase the supply of talent through talent acquisition practices and succession pools.	4.3.1. Number of permanent and fixed term jobs created	PO 17	3	5	5	5	5	5	5
			4.3.2. Number of temporary jobs created	PO 17	465	120	120	120	120	120	120
Information Technology Infrastructure Utilisation	ICT Operation Model	4.4. Build best practice principles to deliver a robust, secure and effective ICT service.	4.4.1. % Network Availability of IT infrastructure	N/A	97%	95%	95%	95%	95%	95%	95%
			4.4.2. % System Availability of IT infrastructure	N/A	97%	95%	95%	95%	95%	95%	95%

5. GOOD GOVERNANCE AND CLEAN ADMINISTRATION.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
Compliance	Comply with relevant regulatory and statutory reporting frameworks	5.1. Reduce violations of relevant regulatory and statutory reporting frameworks	5.1.1. Number of breaches of materiality and significance framework	PO 20	0	0	0	0	0	0	0
			5.1.2. % Statutory reports submitted on time	PO 14	100%	100%	100%	100%	100%	100%	100%
Governance	Effective Internal Controls and Risk Management	5.2. Reduce internal audit findings and organisational risks	5.2.1. Maximum number of repeat internal audit findings	PO 19	3	0	0	0	0	0	0
			5.2.2. Maximum number of unresolved Internal audit findings	PO 19	37	20	15	10	8	4	0
			5.2.3. Tolerable organisational residual risk	N/A	8,6	7	7.5	7.5	7.5	7.5	7.5
Corporate Brand identity and Image	Positive perceptions held by external clients	5.3. Accentuate the corporate brand and image.	5.3.1. Number of municipalities supported on rural development programmes.	PO 13	N/A	0	N/A	N/A	1	1	2
			5.3.2. % Stakeholder satisfaction	N/A	81%	85%	80%	80%	80%	80%	85%
			5.3.3. Number of municipalities or other customers with bulk supply agreements	PO 11	0	1	N/A	1	0	0	0

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	TARGET 2024/25	TARGET 2025/26	TARGET 2026/27	TARGET 2027/28
			5.3.4. Number of CSI initiatives undertaken	PO 21	8	4	4	5	5	6	
Board Effectiveness	Strategic leadership	5.4. Provide effective leadership	5.4.1. % Board members' attendance of all board and committee meetings	PO 18	97%	95%	95%	95%	95%	95%	95%
			5.4.2. Decision making: % number of resolutions taken by the board versus number of resolutions required		100%	95%	95%	95%	95%	95%	95%

5.12 POSITIONING FOR INSTITUTIONAL REALIGNMENT

LNW is redesigning and reviewing its organisational structure to fit the purpose in line with the Minister's reconfiguration project, whereby LNW's area of operation has been expanded to cover the entire Limpopo province. The organisation is currently building the required capacity within itself through filling of the critical position also implementing a rigorous skills development programme in line with the Government's new District Model path to take over the responsibility in the anticipated expansion of its operations. This will enable it to: -

- provide more cost effective and sustainable water services in the service area.
- engage with WSAs and DWS in the transition during the rollout of the institutional realignment programme.
- negotiate Water Service Provider agreements with WSAs to operate and maintain the bulk water services on their behalf in their jurisdiction.
- negotiate retail, cost recovery prepaid systems and sanitation services provider agreements with WSAs.
- negotiate implementing agency agreements for water capital projects with WSAs and DWS

Effective Water Supply

LNW continuously ensures that all plant operations are utilised optimally, and that the quality of the final water delivered by schemes operated by LNW is compliant to SANS 241 (latest version). The proper planning of water demand, effective maintenance and adequate storage capacity ensures continuous and uninterrupted supply of water to customers.

In order to address the above challenge, LNW continues to apply for increased abstraction licences from DWS. The success of the increased licences from DWS is however depended on the effective implementation of Water Demand Management Strategies and Water Conservation by the Water Service Authorities. Through the Water Resource Management Strategy DWS is also considering the re-allocation of licences in the various areas within the province. Furthermore, LNW is implementing a rehabilitation and maintenance plan over a five-year period to ensure uninterrupted supply. LNW has ventured into groundwater exploration for the purpose of sustaining the current supply from surface water while the DWS is still in the process of the approval of the water allocation licences.

Effective Water Demand Management

LNW subscribes to the principle of Integrated Water Resources Management (IWRM) and Demand Management. As part of the Water Conservation and Demand Management, LNW ensures that all the leaks are detected and addressed and as a result more water is available for further distribution. LNW continuously promote Water Conservation and Demand Management in order to sustain the provision of services.

Maintenance of Equipment

LNW views maintenance management as a proactive way of avoiding interruptions in the supply of services. Maintaining assets through their entire life cycle is critical to optimising return on assets. To this end, LNW is continuously making sufficient budget allocation towards the maintenance of its assets. Sufficient depreciation on equipment has also been provided for.

Optimising the cost of supply, collection and treatment

Identification and Classification of cost components

Costs relating to the supply of water, and collection and treatment of wastewater are made up of a wide variety of cost components, which can be essentially categorised in volume and non-volume related costs as follows:

Volume related costs:

- *Raw water:* Levy payable to DWS per kilolitre abstracted from dams, rivers and pipelines where LNW is using the infrastructure of providers such as Lebalelo and Lower Blyde Water Users Associations
- *Energy:* Cost of electrical energy (kWh and kVA, depending on tariff structure) for pumping and treatment of water, pumping and treatment of sewage.
- *Chemicals:* Cost of Chemicals used during the purification processes and disinfection of potable water and sewage effluent,

Volume related costs are obviously sensitive to the product losses in the system such as water losses experienced during the purification of the potable water and subsequent physical losses in the distribution network caused by pipe leaks, overflowing and/or leaking reservoirs, but also the losses incurred during accidental pipe bursts and during maintenance and scouring of networks and cleaning of reservoirs.

Similarly, volume related costs relating to pumping & treating sewage are substantially influenced by the entry of “foreign” water, such as rainwater and /or ground water, into the network leading to subsequent wastewater treatment plants.

Non-volume related costs:

- *Salary and wages* of operating staff and related costs (protective clothing etc.),
- *Maintenance, repair and replacement* costs of operating assets,
- *Vehicle and Transport* costs,
- *Quality control* costs
- *Depreciation* of capital expenditure costs for upgrading, extension etc. to the facilities.

Approach to dealing with the Optimisation of Costs

○ **Optimisation of volume related costs:**

Raw water costs and costs for imported treated water (expressed as rand per kℓ of product water metered at the intake of the plant): Cost optimisation relative to the reduction in physical water losses in the treatment plant and the distribution system and the accuracy of metering. Backwash water recycling is being introduced in all the conventional schemes to further reduce the water losses contributing to cost efficiencies.

Costs of Chemicals (expressed as rand per kℓ of product water metered at the delivery of the plant): LNW shall naturally check and optimise the type of chemicals used, dosing rates applied and the suitability of the dosing equipment as well as the continuous training and development of operations personnel.

Electrical Energy Management: With the current state of the energy situation in South Africa energy management is not only critical for the country at large but is also of great importance for the sustainability of LNW’s business. LNW’s approach is multi-pronged and comprises:

- Investigating and optimising Tariff Structure.
- Checking and re-calibration, if necessary, incoming meters for consumption and maximum demand in consultation with the municipalities and Eskom.
- Maximum demand management and power factor correction, where kVA tariff is applicable, checking of efficiency of the power factor correction, and replace, with

new high efficiency equipment, if necessary and investigate the use of alternative energy for capping the peak demands.

- Optimisation of the plant process and plant performance (pumps), replace/rehabilitate machinery running at low efficiency for instance, due to wear and tear.
- Optimisation of the product quality requirements.
- Prevent rainwater entering the sewer system and thereby reducing the energy required for pumping. Substantial amounts of rainwater enter the sewerage and network, judging from the flows reaching the WWTW during wet periods, straining the capacities and wear on the network, pump station and treatment works. Through lifting and/or replacing sewerage manholes, the inflow of rainwater from roads will be reduced. Private properties will be inspected by operations, and although difficult to control, operations will actively discourage the discharge of rainwater into sewers.
- Critical portions of the sewerage will be periodically cleaned to prevent blockages and to remove harmful sand and grit.

○ **Optimisation of Non-volume related costs**

Operational Staff Costs

There is scope for cost optimisation as a result of the review of the water and sewage operation and maintenance teams of LNW. LNW has consolidated all water and wastewater plants within the various District municipalities under a single Regional Manager for each of the districts and this proved not only to be cost effective, but it has also improved liaison and communication between LNW and the various municipalities. Outsourcing of non-core services and activities such as security services, vehicle maintenance and garden maintenance have been implemented in the organisation. By partaking in outsourcing of no-core activities LNW is also directly involved in the growth and development of SMME's and BEE.

Automation and remote control of facilities operation

It can be safely assumed, that with the progressive completion of the program for the telemetry monitoring of reservoirs and remote control of equipment (booster pump stations) in addition to the vandal proofing of these assets, the need for routine operation of these facilities will decrease with a corresponding saving for wages, including overtime. Furthermore, costs for network maintenance staff should gradually decrease, albeit over a longer period, as a result of maintenance coupled with

replacement of old assets in troublesome network areas. Similarly, this should apply to the costs for workshop staff attending to mechanical and electrical equipment.

LNW is also applying the new technology that has been developed as part of the GSM networks. These include, but are not limited to, automated meter reading, remote reservoir monitoring, vehicle tracking, area mapping and remote camera surveillance.

Maintenance and Repairs

Potential Scope for cost savings exists in the following areas:

- Reduction of breakdowns and damage to equipment through the training and development of maintenance personnel.
- Introduction of roaming maintenance teams performing specialized duties i.e. laser alignment, vibration analysis and thermal imaging. Greater economies of scale when acquiring spare parts and stock items.
- Costing of any repair work and computerised capturing and cost allocation to each element of the system allowing for the early detection of trouble making equipment or installation and replacement thereof,
- Most probable cost savings due to outsourcing of specialised equipment or facilities.
- Reduction of sewage pump maintenance costs as a result of reducing the volume of rainwater and grit entering the sewer system

Vehicle and Transport Costs

All new vehicles acquired are fitted with a proactive satellite tracking system when purchased. When procuring new vehicles, a 160 000 km/4-year full maintenance plan form part of the requirements. It is planned to replace vehicles after reaching above-mentioned kilometres or lifespan. LNW believes there are potential cost benefits as a result of the installation of the vehicle monitoring and tracking system and outsourcing of vehicle maintenance.

Secondary Activities

LNW will undertake secondary activities to the extent that they are viable and supportive of the Board's primary function. Generally, these activities will be undertaken as part of the strategic support to the Water Services Authorities.

5.13 ENVIRONMENTAL SCANNING

5.13.1 Pestel Analysis

Table 5-3: Pestel analysis

ISSUE	ANALYSIS
Political	<ul style="list-style-type: none">• Political changes affecting stakeholder management and effective continuous resolution of administrative issues between the LNW and the Municipalities in the Province.• Inconsistent communication of water policies mainly regarding availability of water to communities and other consumers (mining and agriculture).• Difficult stakeholder management environment impacting on debt recovery.• Ineffective management of community expectations.• Negative corporate reputation due unjustifiable placing of blame on LNW on water challenges in the province by political office bearers
Environment	<ul style="list-style-type: none">• Unpredictable climate changes generally affecting planning of LNW operations.• Combination of floods and drought conditions in the province affect availability of water.• The low water table requiring deep drilling to access water
Social	<ul style="list-style-type: none">• High population growth within the province leading to higher demand for water.• Increasing economic growth with high water demand from economic development zones and municipalities.• Competing water needs between communities and mining and agricultural industries within the province.• The general culture of non-payment for services by communities.• Increasing number of indigent consumers of water in municipalities as well as unidentified or inaccurate number of indigent consumers of water services within municipalities.• High community water rights awareness and demand for appropriate water quality in line with the constitution of the Republic.

ISSUE	ANALYSIS
Technology	<ul style="list-style-type: none"> • Increasing availability of technology in the water sector nationally and globally. • Increased innovation and research in water technologies. • Greater appetite by the National Government for rapid adoption of new technologies in general and in particular in the water sector in line with the 4th Industrial Revolution agenda of government.
Economic	<ul style="list-style-type: none"> • High levels of unemployment in the province impacting on the ability of consumers to pay for water services. • High cost of materials and labour resources affecting LNW ability to maintain and expand its services. • Lower appetite or untested market appetite for Public Private Partnership for funding of water projects in the province. • Lack of adequate investment in Municipal infrastructure maintenance. • The constraints on the national and provincial budgets impacting on availability of funds for infrastructure funding and operational grants to both Municipalities and LNW. • Poor financial management at Municipal levels impacting on inadequate allocation of funds towards infrastructure management. • Poor debt collection by municipalities impacting on ability to collect amounts owing on water services by LNW.
Legal	<ul style="list-style-type: none"> • The legal framework within which the water sector operates and the pending bill which will ring in changes. • The establishment of Regional Water Utilities and changes to the water act. • The current National Water Act changes may affect future LNW operations.

5.13.2 SWOT Analysis

Table 5-4: SWOT analysis

Strength	Weaknesses
<ul style="list-style-type: none"> • There is a strong positive working relationship between the board and the management. • The LNW governance policies and procedures are robust, and the Board continues to provide adequate oversight. • The LNW has the appropriate infrastructure and staff to effectively ensure that its consumers have clean quality water. • Low labour turn-over, LNW has managed to retain its skills. • LNW operates in a monopoly business position within the province. • LNW has retained highly qualified board and management team. • Infrastructure (assets), LNW has a number of dams that constitute future increase of scope of its bulk water service provision to Water Services Authorities. • The LNW has a strong balance sheet and is projecting a surplus in the current financial year. • LNW has an effective governance structure that allows agile decision making. • LNW key assets are effectively secured as its dams have declared national key-points. 	<ul style="list-style-type: none"> • Lack of sufficient financial resources for further infrastructure development and maintenance. • Lack of effective strategic liaisons between LNW and its key stakeholders which include Water Services Authorities and municipalities. • Ineffective communication with water consumer communities and confused messages to the communities by municipalities. • Inability to influence to get political buy-in on water matters. • Lack of Financial viability due to high input costs and inability to generate adequate revenue based on the tariffs increase limits. • Inability to collect money owed by Municipalities and water service authorities. • Overburdened treatment plants. • Inability to complete projects timeously. • Slow speed of new technology adoption due to lack of research capacity and funding. • Bulk versus reticulation roles needs to be addressed. • Lack of communication and water conservation awareness campaigns. • Limits on abstraction permits.

Opportunities	Threats
<ul style="list-style-type: none"> • The proposed new Regional Water Utility bill provides an opportunity for LNW to expand its operations and generate more revenue. • The revision of the National Water Act will provide scope for role clarity in the LNW area of operation to enable it to reposition its operations in the absence of other current operators. • New technologies provide LNW opportunities to both increases its output e.g., sand bed water extraction technologies. • Development of Special Economic Zones (Makhado and Musina) provides potential scope for services. • LNW could take over the Lephalale water services to expand its operations in line with the reconfiguration of the water boards, since LNW scope has been increased to cover the entire Limpopo province. • LNW could take over the R100 million schemes when in line with the reconfiguration of the water boards, since LNW scope has been increased to cover the entire Limpopo province. • The reconfiguration of the waterboards has expanded the LNW's operation of area to cover the entire Limpopo province. 	<ul style="list-style-type: none"> • Poor economic conditions that may lead to negative financial viability, as consumers are unable to pay for the services. • Climate changes and climate unpredictability impacting on planning of operations and availability of water resources. • Increased costs of extraction of water due to low water table. • Social unrest due to inability to provide water to communities. • Poor Municipal financial positions impacting on the maintenance of the reticulation infrastructure and leading to water leakages and losses of revenue to LNW. • Competing needs of water from Mining and agricultural industries with communities may affect equitable distribution of water and LNW may fail to meet its mandate. • Total collapse of the ageing water infrastructure. • Changes in the in the legislation and their impact on LNW future operations. • Deteriorating raw water quality.

5.14 GENERAL PLANNING ASSUMPTION

Drought Scenario

LNW will continuously review and reprioritise its water supply contingency plan in order to prevent crisis management should the Limpopo Province experience water crisis. The low levels of the Middle-Letaba and Nsami Dams for the past years are further proof that the province is not immune to droughts.

In line with this reality, LNW is intending on increasing of the capacity of Olifantspoort Treatment Works to enable it to supply additional water to Polokwane and surrounding areas including the smelters although the additional water is not adequate and looking forward to the completion and operation of De Hoop Dam to off-set this challenge. LNW is also positioning itself as an operator of the Olifants River Water Resource Development Project (ORWRDP) with the De Hoop dam as its backbone.

Quality of Raw Water Supply

The quality of raw water in LNW's service area requires continuous monitoring. The Olifants River, which is one of the main sources of supply, is already showing signs of extensive pollution in its upper regions. LNW subscribes to the "polluter pays" principle. Continuous monitoring will be undertaken to protect both the ground and surface water from pollution.

Capacity of Supply

The only scheme of LNW that still has some spare capacity both in treatment and abstraction quantities is Phalaborwa. All other schemes run at full design capacity or more and are also in need of additional abstraction quantities applied for from DWS.

Consumers living in Polokwane City are continuously subjected to water restrictions for more than five years and the lack of water is furthermore inhibiting growth and development.

Consumers in the rural and urban areas alongside the pipelines from Ebenezer and Olifantspoort are even worst off because they only receive water at certain periods a week. It is therefore necessary that both the Ebenezer and Olifantspoort schemes be upgraded as a matter of urgency to 74 and 120 Ml/day respectively in order to avoid further and even more severe water shortages within the areas of Polokwane and Capricorn within the foreseeable future.

Population Growth

Population within the service area of LNW is increasing. In order to address this challenge, LNW has factored the increase into its planning processes. The organisation has further entered into an agreement with Infrastructure Fund (IF) of Development Bank of Southern Africa (DBSA) for support in raising funds for the rollout of the bulk water infrastructure dearly needed for meeting the demands of its clients.

6 POLICY STATEMENT

The policy statement will be after five years since the current one is still valid.

7 SELF APPRAISAL OF BUSINESS ACHIEVEMENTS IN PREVIOUS YEAR

LNW implements its strategy through a balanced scorecard. The review is against the 2021/22 LNW's Corporate Plan and overall organisational performance. The overall performance is 67% fully achieved, and 33% was not achieved. Figure 6.1 below depicts the overall organisational performance at a glance.

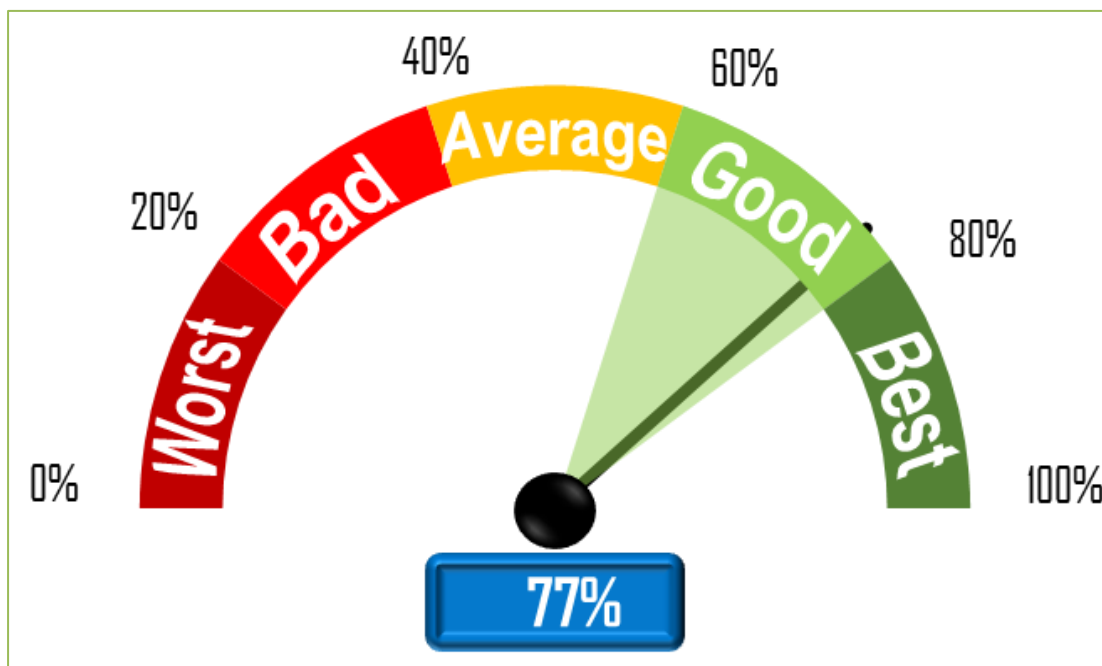


Figure 7-1: Overall organisational performances

7.1 KEY ACHIEVEMENTS

Support to municipalities

Over and above, the primary role of water services provision to other water services institutions within its service area as stipulated in Section 29 of the Water Services Act, Water Boards are also expected to, as far as resources can allow support municipalities to achieve their objectives.

Assurance of Supply

LNW has continued to provide the inadequate quantities of water due to inadequate and ageing infrastructure in some of its service area. LNW has secured the funding through DBSA's infrastructure division for the upgrade of the Olifantspoort and Ebenezer schemes in order to ensure that Capricorn and Sekhukhune Districts' water demands are met.

An additional 10 Mℓ package plant has been completed in the Olifantspoort treatment works to ensure people of Sekhukhune in the former Fetakgomo are supplied with water. Upgrade of Flag Boshielo treatment from 8 Mℓ/day to 16 Mℓ/day has been completed and is already supplying 16 Mℓ/day to the communities.

Increased coverage

The Minister of Water and Sanitation has reconfigured LNW to supply bulk water to the entire Limpopo province. The organisation has concluded the 10 years bulk water supply contract for Nandoni Scheme with Vhembe District Municipality. The rest of the additional municipalities coming as a result of reconfiguration will be engaged to formalise the relationship/partnership in the delivery of water services.

Table 7-1: Capital projects aimed at assurance of supply.

PROGRAMME NAME	PROJECT NAME	PROJECT NUMBER	% COMPLETION
Flag Boshielo Phase 1	Upgrading of Flag Boshielo Water Scheme: electro-mechanical works phase 2.	LNW 16/14/15	96%
	Upgrade of plant - main upgrade and refurbishment: civil and structural works phase 3	LNW 17/18/19	97%
Flag Boshielo Phase 2	Flag Boshielo Scheme upgrade: Phase 2 bulk supply upgrade (planning phase) - Flag Boshielo Plant	LNW 10/14/16	100%

PROGRAMME NAME	PROJECT NAME	PROJECT NUMBER	% COMPLETION
Upgrade of Olifantspoort	Olifantspoort 10 Ml/day packaged plant	LNW 52/14/15	99%
	Upgrade of Olifantspoort and Ebenezer Schemes: Specon pipeline Replacement phase 2 within Olifantspoort system	LNW 09/18/19	99%
Ebenezer Refurbishment	Replacement of non-functional valves, construction of chambers & installation of new valves and check meter on mainline	LNW 14/16/17	93%
Doorndraai upgrade	Design, manufacture, supply, installation, and commissioning of a 5 Ml/day package plant at Doorndraai Scheme	LNW 13/16/17	100%
Phalaborwa Refurbishment	Refurbishment of sludge lagoons and disinfection facilities at Phalaborwa Scheme	LNW 13/19/20	68%
Phalaborwa Refurbishment	Refurbishment of cathodic protection system within Phalaborwa Scheme on the potable water pipeline	LNW 21/19/20	100%
Phalaborwa Refurbishment	Supply, delivery, installation and commissioning of Palabora Mining Company Ltd (PMC) non-return, isolating valves, flow meters and pipe fittings	LNW 31/18/19	99%
Burgersfort WWTW upgrade	Design, refurbishment, construction, manufacture, supply, installation, testing, commissioning and maintenance of 10 Ml/day WWTW package plant at Burgersfort WWTW on a turnkey basis	LNW 30/18/19	69%
OVERALL PROGRESS - 89,8 %			

Customer Satisfaction

LNW prides itself with self with the level of customer services provides. The customer satisfaction questionnaire has been developed for the purpose of measuring the satisfactory state of LNW's customers. The questionnaire is therefore circulated to the main clients of LNW to complete. The responses are therefore captured on a five-point Likert scale. The average of all the questionnaires that were returned resulted in the score of 81% against the target of 80%

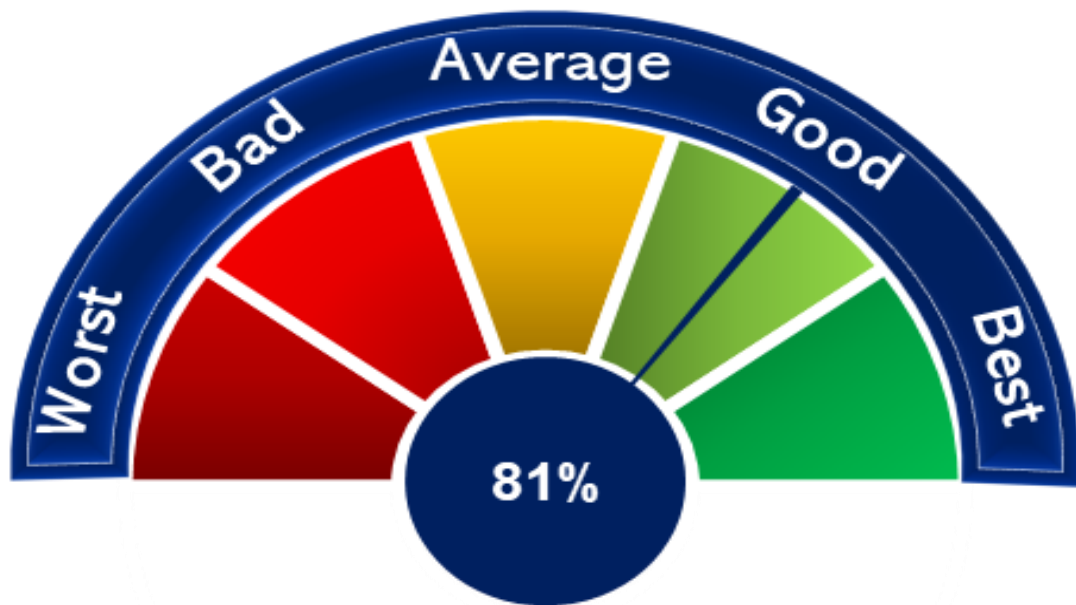


Figure 7-2: Customer satisfaction performance

Skills development

LNW continues to upskill and develop its human capital as part of its talent development and retention strategy. The development of internal talent and the retention thereof contributes to business sustainability, addresses the country's skills shortage, and to ensure that the labour market has sufficient skills to meet the demand and supply. These training programmes are implemented for the benefit of both employees (categories 18.1 learners and non-employees (18.2 learners) in need of particular skills within the water and energy sector in addressing the skills gaps, improving organisational performance and to increasing their chances of getting employment in the labour market.

Our ongoing relationship and combined efforts with the National Skills Strategic Projects funded by National Treasury as prescribed by Division of Revenue Act 2015, Schedule 5 makes it possible to develop and avail engineers and scientists within the water sector. Most vacant positions were filled from a trained pool of talent supplied by the programmes.

Commitment to good corporate governance

LNW remains committed to good governance. A Tip-off Anonymous Hotline is up and running and is used as much as possible. This is yielding fruits in that perpetrators of corruption are identified through this system and are acted against.

Tariff adjustment

During the appraisal of Water Boards by DWS, the viability of these water institutions came under close scrutiny. During tariff adjustment consultations with DWS and National Treasury it was acknowledged by National Treasury that LNW's proposed average tariff adjustment for 2023/24 is 15% for potable water.

The Employee Wellness

The Employee Wellness Programme (EWP) is up and running within LNW and the staff have used it as and when required. Among other matters that the programme addressed, were chronic diseases, provision of advice on financial management, detecting and monitoring of diabetes and high blood pressure etc.

7.2 UNDER ACHIEVEMENTS

The organisation under achieved in the collection of all the money owed to it although all the interventions have been fully applied. There are key capital projects that delayed being concluded as highlighted in Table 6-1 above.

The organisation has also not achieved the water loss target. The organisation has busy with the implementation of the refurbishment programme to curb the water loss. Furthermore, the municipalities are being engaged where illegal connections exist in the entity's bulk lines.

7.3 CHALLENGES AND RECOVERY PLANS

This section identifies the challenges and proposes a way forward to address these challenges. These challenges have been elaborated and they include:

Projects implementation

The organisation took a decision to strengthen the criteria in appointing the construction service providers to avoid appointing mediocre service providers who are terminated due to poor performance. Furthermore, LNW has taken a decision to establish the engineering services that will be led by registered Engineer.

Retention of personnel in the scarce skills category

LNW prioritises the retention of experienced staff and not allow its skilled staff in which it made an investment to easily leave the organisation. LNW is prepared to *inter alia*

remunerate this category of employees commensurate with their input into the organisation. LNW is implementing the Scares Skill allowances where applicable. Succession and retention strategies have been implemented to enhance business continuity.

Debtors outstanding and Accounts Receivables

The entity is still experiencing challenges in collecting the old debt owed by its clients, however, there is debt settlement agreement entered into between Mopani and LNW to fast-track the outstanding debt. Outstanding debts undermine the ability of LNW to reinvest in the infrastructure development programmes.

Despite the fact that LNW has got an approved credit policy it is not so easy to implement the latter in the complex socio economic and political climate in which LNW operate. The Management accounts of LNW reveal that LNW is not doing well on the accounts receivable. Continuous effort will be embarked upon to recover the outstanding debt through inter-governmental relations instruments.

Accounts receivables

Budget

LNW is budgets for surplus and it is reflecting on the priorities as stated by government. The budget of LNW has been aligned to the Strategic plan.

8 MINISTER'S DIRECTIVES

LNW is currently implementing four (4) directives from the Minister of Water and Sanitation i.e., Nandoni/Nsami, Giyani Water Services, Nkambako/Babanana and Moutse Drought Relief projects as an Implementing Agent of DWS. The projects are being overseen by the Provincial Office of the DWS on a quarterly basis.

8.1 NANDONI/NSAMI

The Luvuvhu River Government Water Scheme (LGWS) was developed in the Nineties following a feasibility study in the years 1994 to 1998. It involved the development of Nandoni Dam and the Xikundu weir, and the bulk infrastructure from these sources. Nandoni Dam was developed to cover the following areas of supply:

- Malamulele East.

- Malamulele West.
- Tshifudi Lambani;
- Augmentation of Vondo Regional Water Scheme; and
- Albasini Dam Augmentation.

Bulk water supply to Giyani and the surrounding villages is currently rendered through the various sub-schemes, with treatment works at Nsami Water Treatment Works. The Giyani System is supplied mainly by the Nsami Water Treatment Works. The capacity of the plant is currently 30 Ml/d.

PROJECT NAME	SCOPE	STATUS	BUDGET ALLOCATION	FUNDING STRATEGY
Nandoni/Nsami Bulk Water Pipeline	Mopani District Municipality Water and Sanitation Revitalization Programme: (Nandoni - Nsami raw water Bulk Pipelines and Pump Station)		R 75 976 000	Progress payments

8.2 GIYANI WATER SERVICES

The Mopani District was declared a disaster area due to the acute shortage of water and sanitation services in the area. Giyani Local Municipality, which is one of the five local municipalities in Mopani District, was hardest hit. Mopani District Municipality (in collaboration with the Provincial and National Government) undertook a string of measures to address the crisis.

The directive as received from the then Minister of Water and Sanitation pays special attention to regularising water and sanitation crises in the Mopani District with the focus on 55 villages. The implementation of the projects guided by the business plan were categorised and prioritised as follows:

- Short-term project milestones.
- Medium-term project milestones; and
- Other project milestones.

PROJECT NAME	SCOPE	STATUS	BUDGET ALLOCATION	FUNDING STRATEGY
Giyani Water Services	Refurbishment of boreholes in Giyani. Giyani Water Services Project - Completion of 324 km of bulk potable water pipeline network covering 55 villages within Giyani.	In progress	R134 584 000	Progress payments

8.3 BABANANA/NKAMBAKO BULK WATER PROJECT

The principal objective of the Babanana/Nkambako Water Scheme is to improve water supply to all villages which form part of Ritavi 1 Water Scheme (the overall Nkambako N'wamitwa area). The project will provide more sustainable water supply systems to villages and complement the existing supply system.

PROJECT NAME	SCOPE	STATUS	BUDGET ALLOCATION	FUNDING STRATEGY
Refurbishment works	The refurbishment of approximately 37km-long existing pipelines north of Xihoko, raw water pump station, flocculation channels, sand filters, balancing dam and chemical dosing plant within Nkambako WTW.	Complete	R 181 087 000	Progress payments
Improvement Works	The construction of pump station, 3ML clear water tank, raw water inlet works, and sludge dams at Nkambako Water Treatment Works	In progress		
Xihoko Distribution System	The construction of approximately 45km Upvc pipelines north of Xihoko, construction of five reservoirs and construction of two booster pump stations.	In progress		
Babanana pipeline	Construction of 13km steel pipeline	Not yet started – awaiting EIA approval		

PROJECT NAME	SCOPE	STATUS	BUDGET ALLOCATION	FUNDING STRATEGY
Babanana/Nkambako	Babanana/Nkambako regional bulk infrastructure project: upgrade of Nkambako WTW and refurbishment Babanana bulk water pipeline.	In progress		

8.4 MOUTSE DROUGHT RELIEF PROJECT

Moutse area has experienced water crises for a long period. After a visit to the area the then Minister of Human Settlements, Water and Sanitation tasked LNW to restore water supply to affected villages and put in place temporary measures to supply water while in the process of refurbishment. The area consists of 19 wards spanning between Elias Motsoaledi (13 wards) and Ephraim Mogale (6) Local Municipalities. LNW was issued with a directive on 17 March 2020 to attend to the project on an urgent basis.

As part of short-term intervention, supply of water through water tankers was proposed together with the installation of new tanks at various villages within Moutse. Medium-long term intervention involves the refurbishment of existing boreholes, development of new boreholes and associated infrastructure.

PROGRAM NAME	SCOPE	STATUS	FUNDING STRATEGY
Moutse Drought Relief Intervention	Development and Refurbishment of boreholes, Installation of water tanks on turnkey basis in Moutse Area	In progress	Advance payment (R143 million)
	Supply, Deliver, Registration and Operation & Maintenance of Water Tankers in Sekhukhune (Moutse Area)	Complete	

8.5 EBENEZER/OLIFANTSPOORT SCHEME

The Olifanstpoort/Ebenezer Upgrade Phase 1 (A & B) project entails the refurbishment and upgrade of the bulk water supply infrastructure of the Ebenezer Water Supply Scheme (EWSS) and the Olifantspoort Water Supply Scheme (OWSS) to reduce water

service backlogs and meet the current and projected water needs of the areas supplied by the two schemes until 2026.

The main sources of water for the EWSS and the OWSS are the Ebenezer and Dap Naude Dams in the Upper Letaba catchment, and the Flag Boshielo Dam in the Middle Olifants catchment respectively. Local surface and groundwater resources are used to supplement these main sources of water. The project areas experience bulk water infrastructure capacity constraints, which the Project aims to resolve. The proposed Phase 1 is focused on enabling the City of Polokwane to lift the moratorium on new developments and expansion of commercial development which was imposed in May 2013 due to water supply constraints.

The Project is envisaged to be implemented in three phases.

The Phase 1 A estimated at R 4,5 billion comprises:

- a) Refurbishment of bulk OWSS existing infrastructure. Furthermore, upgrading of the raw water abstraction works and off-channel storage for better water quality. Optimization the existing 60 Mℓ/day of the treatment plant to yield of an additional 30 Mℓ/day. Duplicate bulk pipelines to optimize to system efficiency for a total yield of 90 Mℓ/day.
- b) Refurbishment of the bulk EWSS existing infrastructure, replacement of the high-lift pump sets and infrastructure optimization of the for an increased design capacity of 89 Mℓ/day. However, the scheme yield will remain limited to the allocated license of 44 Mℓ/day with increased efficiency and reliability of operation.

The Phase 1 B estimated at R 4,0 billion comprises:

- a) The works allocated within the Phase 1B in the OWSS is mainly focused on increasing the system yield to 120 Mℓ/day by construction an additional 60 Mℓ/day capacity treatment plant in normal conditions. The scheme will have a design capacity to yield a total of 180 Mℓ/day when necessary. The additional extension of pumping stations and storage reservoirs will be critical to the project objectives complete with the power supply infrastructure.
- b) The bulk EWSS infrastructure is mainly the duplicate rising main pipeline and the optimization of the gravity main for optimal distribution for system redundancy to

the City of Polokwane. The scope also addresses the much-needed diversion of the pipeline away from environmentally sensitive grasslands and a portion of the Ebenezer Dam.

The Phase 2 estimated at R 10 billion is envisaged to comprise:

- a) The phase will mainly address the OWSS upgrade of the regional scheme's bulk distribution subject to availability of additional surface water, the treatment capacity is projected to be upgraded for a total yield of 270 Mℓ/day.
- b) In the EWSS, the phase addresses the upgrade of the regional scheme's bulk distribution and subject to availability of additional water, pump stations and regional bulk schemes and bulk pipelines in Mankweng to Polokwane.

The Phase 1 augmentation will be adequate to meet water demand up to 2026, showing the urgency in constructing the other two phases. The capital cost for the entire upgrade and refurbishment of the OWSS and EWSS is approximately R18,4 billion, with Phase 1 (A & B) estimated to cost R8,5 billion, (excluding any land compensation costs). The successful implementation of Phase 1 (A & B) of the project will provide confidence to the market of the implementation capability of LNW, which will help unlock subsequent phases.

PROGRAM NAME	SCOPE	STATUS	FUNDING STRATEGY
Upgrade and Refurbishment of the Olifantspoort and Ebenezer Schemes Phase 1 (A & B).	Development of the feasibility, preliminary designs, and Implementation Readiness Study (planning) up to an estimate of R8,5 billion.	Complete	Advance payment to LNW- BFI (R633 million - 2023) +
	Refurbishment and Upgrade of the Olifantspoort and Ebenezer Schemes Infrastructure for an increased capacity of 40 ML/day for Phase 1 A by November 2026.	In Progress	(R 422 million- 2022) RBIG and Commercial loan

8.6 OTHER PROCESSES

The appraisal of corporate plans and policy statements of Water Boards session by DWS provided LNW with an opportunity for self-introspection and to ensure that further Shareholder's Compacts address the issues raised. These included the need to link the tariff to Consumer Price Index (CPI), to practice Water Conservation and Demand Management in the light of the exceeded Water License in some water treatment plants.

The corporate planning process has also taken into account the priority projects as listed in the National Water Resources Strategy (NWRS), which is a blueprint for survival for the country in the area of Integrated Water Resources Management (IWRM).

9 PARTICIPATION IN COMPANIES

None

10 WATER RESOURCE DEVELOPMENT AND INTER-BASIN TRANSFER SCHEMES

The Board operates two inter-basin transfer schemes where potable water is transferred from one Catchment Management Area to another, as described below:

- Ebenezer, where water is drawn from the Ebenezer dam, in the Letaba Water Catchment Management Area, and pumped to Polokwane in the Limpopo Water Catchment Management Area.
- Olifantspoort, where water is drawn from the Olifants, in the Olifants Water Catchment Management Area, and pumped to Polokwane in the Limpopo Water Catchment Management Area.

The City of Polokwane, towns such as Mankweng and Haenertsburg as well as numerous villages along the pipeline en-route from Ebenezer to Polokwane are supplied from the Ebenezer scheme. The demand for water from within the Mopani District Municipality from the Ebenezer Scheme is very limited. Due to urbanization and rapid development, water demand within the area of jurisdiction of Polokwane Municipality is currently exceeding the existing available water resources.

Polokwane municipality has a limited amount of water available from its own sources namely the Dap Naude Dam, that can supply up to 16.8 Mℓ/day, and a series of boreholes that can supply up to 15.4 Mℓ/day. Water supply from the Ebenezer plant is not sufficient to meet the total water requirements of the Polokwane Municipality and it is therefore necessary to supplement it from the Olifantspoort plant.

The table and graph below, depicts the consolidated forecast of Polokwane Municipality, the capacity of its own sources and the requirements from the Ebenezer and Olifantspoort schemes.

Table 10-1: Polokwane Municipality predicted water shortages without any upgrades.

YEAR	FORECASTED DEMAND POLOKWANE MUNICIPALITY Mℓ/DAY	DAP NAUDE DAM Mℓ/DAY	BOREHOLES Mℓ/DAY	AVAILABLE FROM EBENEZER Mℓ/DAY	AVAILABLE FROM OLIFANTSPOORT Mℓ/DAY	TOTAL SHORTFALL IN POLOKWANE MUNICIPALITY Mℓ/DAY
2021/22	135	17	15	44	27	-32
2022/23	140	17	15	44	27	-37
2023/24	146	17	15	44	27	-43
2024/25	153	17	15	44	27	-50
2025/26	160	17	15	44	27	-57
2026/27	168	17	15	44	27	-65

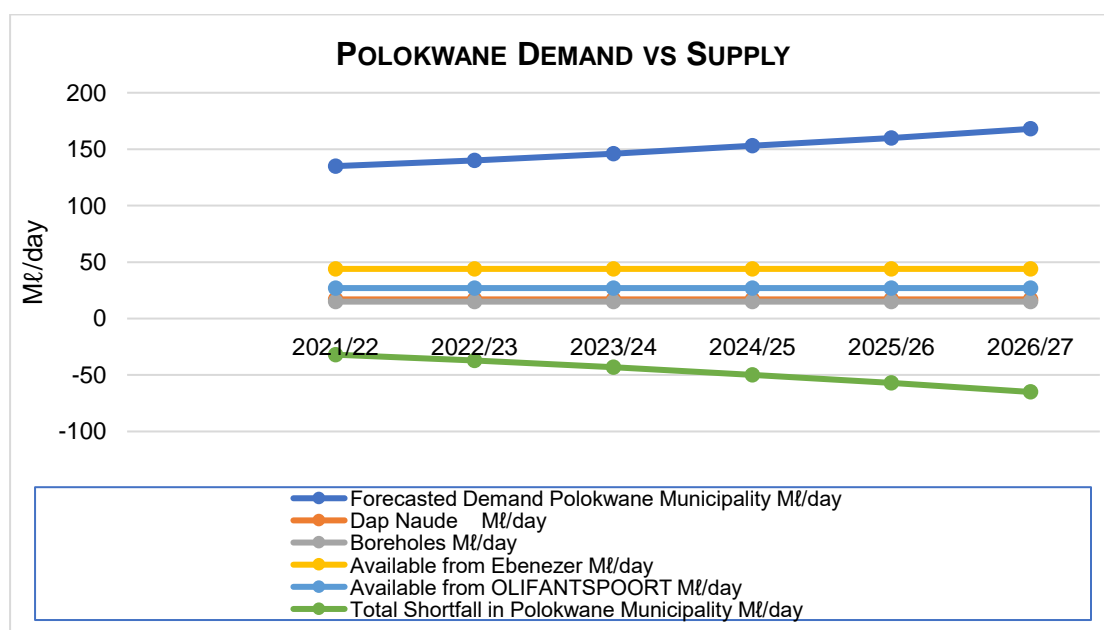


Figure 10-1: Polokwane Municipality demand forecast

Olifantspoort plant is currently operating at maximum capacity and there is a need to apply Water Demand Management initiatives within Polokwane, Capricorn, and Sekhukhune Municipalities. Ebenezer scheme is operating above the design capacity

and the high-water demand by consumers requires the implementation of a Water Demand Management and Water Conservation strategy.

10.1 EBENEZER SCHEME

10.1.1 Contractual obligation

There is a current Bulk Water Services Contract between LNW and the Polokwane Municipality for the water delivered from the Ebenezer Dam to the municipality.

10.1.2 Major consumers of potable water

At this point the City of Polokwane consumes the bulk of the water, but due to urbanisation the demand from areas such as Mankweng are rising rapidly, and it is anticipated that they will overtake Polokwane in the next five years.

10.1.3 Projected water demand

The daily consolidated forecast for Polokwane Municipality in 2021/22 amounts to 128 Mℓ/day. Of this 32.2 Mℓ/day is from their own sources but the rest must be supplied by LNW. Of the 46 Mℓ/day available from Ebenezer 44 Mℓ/day is available to the Polokwane Municipality and it is their responsibility to indicate to LNW how the water should be distributed between the various consumers such as rural, peri-urban and urban.

Table 9.1 indicates the additional water required from Ebenezer in order to balance the demand from the Polokwane Municipality. In 2005 LNW applied to DWS to increase its abstraction license to 50 Mℓ/day however the license was only granted for 44 Mℓ/day. Based on the shortfall within the area of supply this amount must now be increased to 74 Mℓ/day in order to avert major water shortages. The plant and its associated infrastructure such as electrical supply, treatment, and pump capacity, raising mainline and bulk transfer lines must be therefore upgraded to meet the demands in Polokwane. LNW has completed the designs for the upgrade of Ebenezer and once the funds are available, the project will be started.

Table 10-2: Supply and demand from Ebenezer

YEAR	POLOKWANE MUNICIPALITY OVERALL	AVAILABLE WATER TO POLOKWANE MUNICIPALITY IN EBENEZER	ADDITIONAL WATER REQUIRED FROM EBENEZER TO POLOKWANE	AVAILABLE TO MOPANI DISTRICT MUNICIPALITY FROM EBENEZER	PROPOSED PIPELINE UPGRADE
	Mℓ/day	Mℓ/day	Mℓ/day	Mℓ/day	Mℓ/day
2020/21	131	32	-25	3	60
2021/22	135	32	-25	3	60
2022/23	140	32	-25	3	60
2023/24	146	32	-25	3	60
2024/25	153	32	-25	3	60
2025/26	160	32	-25	3	60
2026/27	168	32	-25	3	60

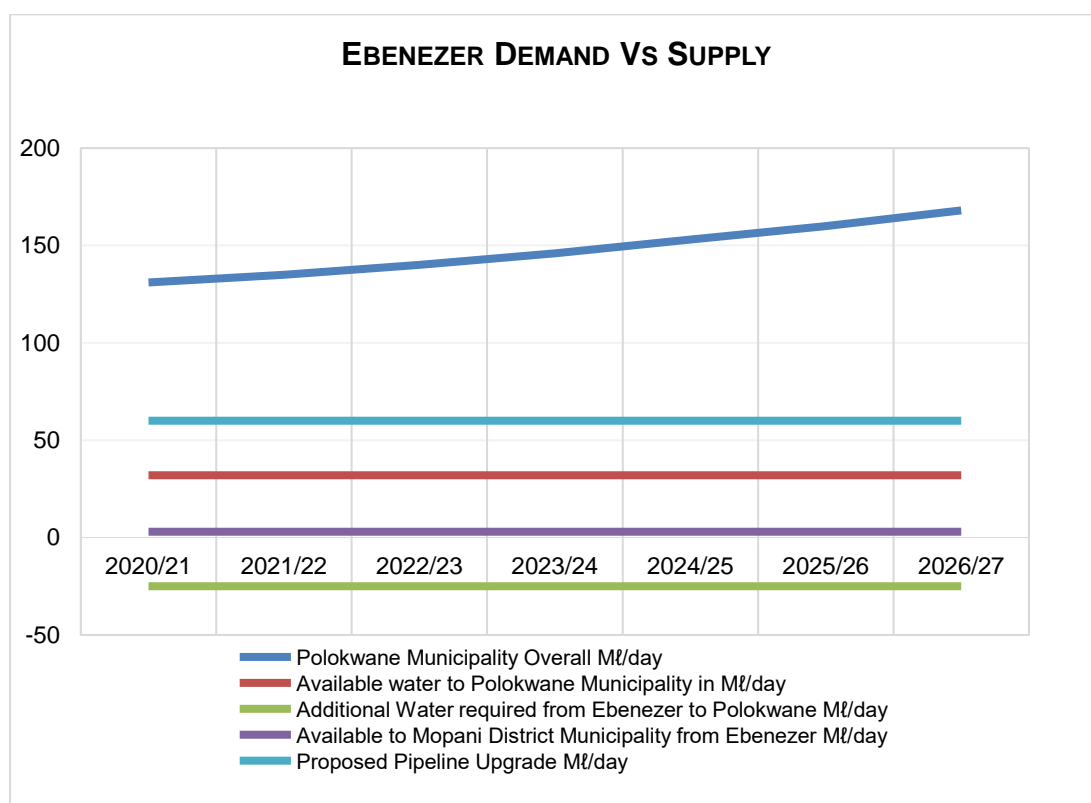


Figure 10-2Figure 10-3: Supply and demand for Ebenezer Scheme

10.1.4 Assurance of supply from Ebenezer Scheme

Table 10-3: Assurance of supply for Ebenezer scheme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Raw water allocation (Mℓ/a)	16 000	16 000	16 000	16 000	16 000	16 000	16 000

Projected gross raw water demand (Mℓ/a)	21 046	21 046	21 046	21 046	21 046	21 046	21 046
Water service coverage	0.76	0.76	0.76	0.76	0.76	0.76	0.76

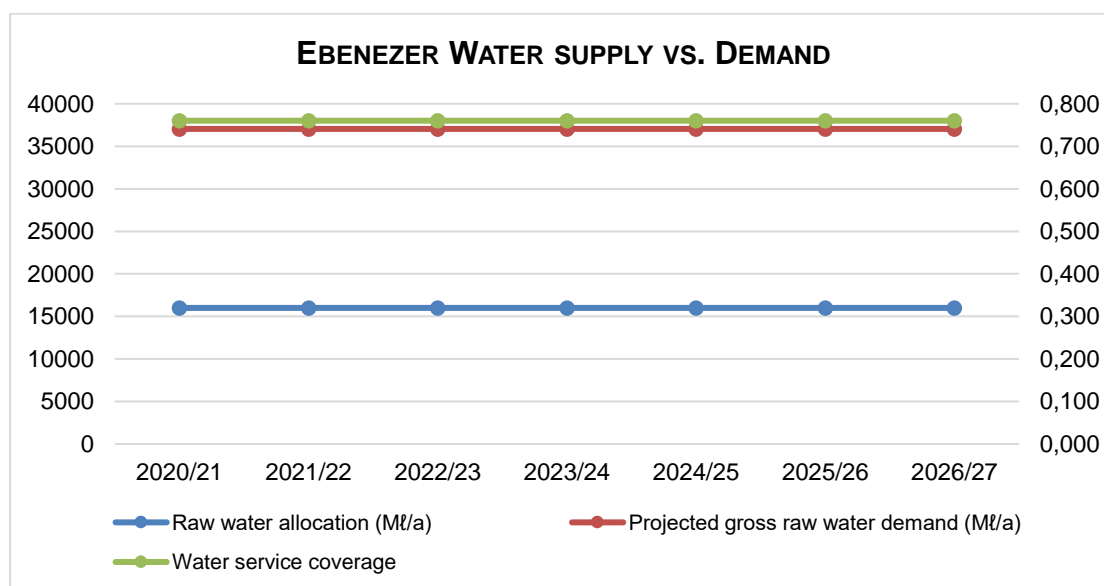


Figure 10-4: Assurance of Supply for Ebenezer Scheme

10.1.5 Water conservation and demand management

LNW is currently abstracting more water from the Ebenezer Dam than what is permitted by its license due to high water demand in Polokwane and Mankweng.

The allowable abstraction from Ebenezer dam is 16 000 Mℓ/annum and LNW is currently abstracting approximately 17 885 Mℓ/annum. LNW has originally applied for a license to increase the abstraction from Ebenezer to 18 615 Mℓ/annum albeit only on an interim basis until the Olifantspoort Plant has been upgraded to at least 32 850 Mℓ/annum. Due to the looming delays in the upgrading of the Olifantspoort the abstraction from Ebenezer will have to increase to 27 010 Mℓ/annum in order to avoid major water shortages within the Polokwane municipality.

It should be noted that although the current over-abstraction is being “tolerated” it is closely monitored and managed by DWS based on the actual levels of the Ebenezer and Tzaneen dams. The abstraction will immediately be curtailed should the levels of aforementioned dams become too low.

Polokwane city consumes 64% of the water supplied from Ebenezer. Cost recovery within the municipality is in place. Cost recovery is also in place within the Greater

Tzaneen Municipality. They use approximately 6.8% of the water supplied from Ebenezer.

Up to 29% of the water supplied from Ebenezer is distributed to Mankweng township and surrounding villages. Polokwane municipality is currently in the process of taking over from DWS after which cost recovery will be implemented.

10.1.6 Major Water sources

Water is abstracted from Ebenezer Dam situated approximately 70km East of Polokwane.

10.1.7 Ability of available resources to meet demand.

Demand for water already exceeds the available supply. LNW has submitted an application to DWS for an increased allocation in terms of the permit. The Olifantspoort Plant plays a key role in supplementing the supply to Polokwane in order to ensure that there is sufficient water available to the capital of the Limpopo Province.

10.1.8 New water resource development required.

Once the Olifantspoort Plant has been upgraded and the De Hoop Dam completed the supply from Ebenezer could be utilised to increase the supply to developing areas between Ebenezer and Polokwane City.

10.1.9 Harnessing Water Sources

LNW currently abstracts water above its allocation and should DWS not approve the pending request for more water from the dam, the board will consider engaging the farmers who have the Water Rights but not utilising the water for acquiring those Water Rights for the purpose of domestic supply as the only possibility left in order to increase LNW's allocation.

10.1.10 Description of current infrastructure

The current infrastructure comprises of an inlet works, purification plant, and pump station, 600mm diameter bulk pipelines extending over 70 kilometres and reservoirs with a total capacity of 50 Ml.

10.1.11 Status of Infrastructure

The current state of the infrastructure in comparative terms is in a satisfactory condition. However, it will require normal maintenance and refurbishment according to the asset condition monitoring report to keep it in a good condition.

10.1.12 Refurbishment of Infrastructure

LNW undertook a major project to refurbish electrical installations at the plant. The switchgear which had been installed in the 1960's required replacement. The project emanated from the safety concerns and reports which indicated that the installations were no longer safe and could blow up any moment and therefore required changing. The project was a major one which took several months to do preliminary work and required complete shutdown of the whole plant for 48hrs and partial re-opening for extended hours. The project was successfully implemented with minimal disruption to water supply.

10.2 OLIFANTSPOORT SCHEME

10.2.1 Contractual obligations

LNW has got standing Bulk Water Services Contracts with the Capricorn District and Polokwane Municipalities for water supplied from Olifantspoort. A Bulk Water Services Contract with the Greater Sekhukhune District Municipality for water supplied to them via this scheme has been extended by 12 months while looking at other internal matter. It is anticipated that the bulk contract will be extended by not less than 10 years to allow rollout of bulk infrastructure.

10.2.2 The major consumers of bulk potable water

The major consumers are Polokwane Local Municipality and the District Municipalities of Capricorn and Sekhukhune.

10.2.3 Projected water demand

As the water demand increases in Polokwane it would be augmented from Olifantspoort as this is the only available resource that can be developed further.

Table 10-4: Water Demand for Olifantspoort Scheme

FINANCIAL YEARS	SEKHUKHUNE DISTRICT MUNICIPALITY	CAPRICORN DISTRICT MUNICIPALITY	WATER TO POLOKWANE MUNICIPALITY	TOTAL DEMAND	PLANT CAPACITY	PROPOSED PLANT UPGRADE	SURPLUS/ SHORTFALL
	Mℓ/day	Mℓ/day	Mℓ/day	Mℓ/day	Mℓ/day	Mℓ/day	Mℓ/day
2020/21	7	32	27	66	60	120	-17
2021/22	9	32	27	68	60	120	-21
2022/23	9	32	27	68	60	120	-21
2023/24	9	32	27	68	60	120	-21
2024/25	9	32	27	68	60	120	-21
2025/26	9	32	27	68	60	120	-21
2026/27	9	32	27	68	60	120	-21

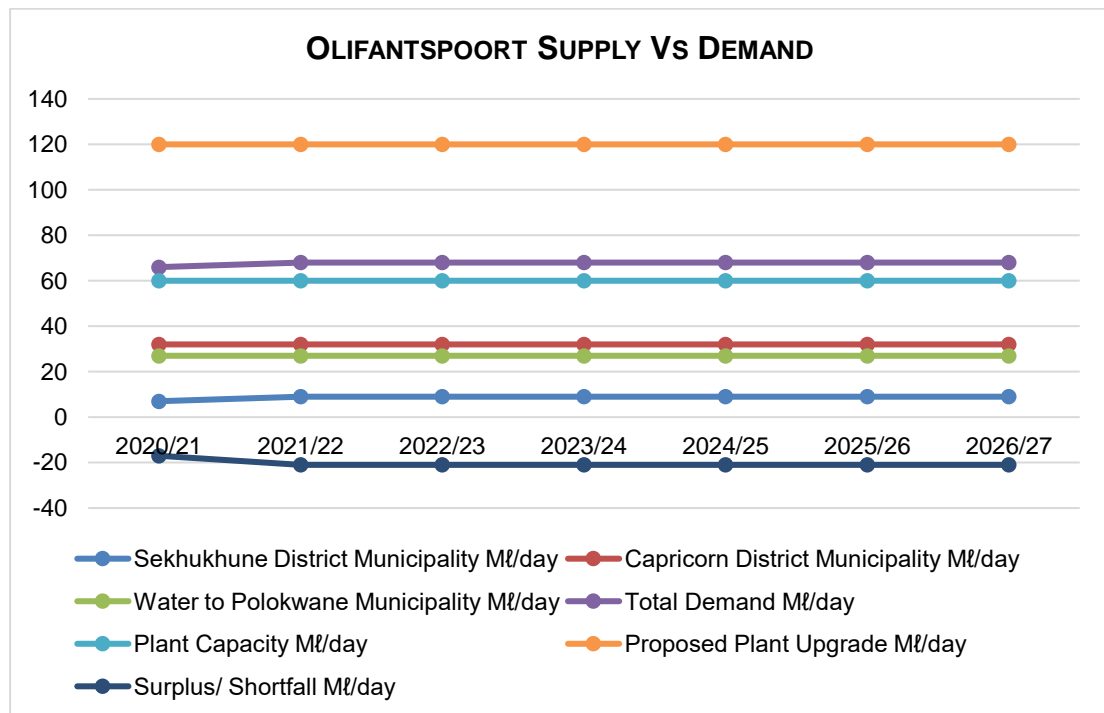


Figure 10-5: Water demand for Olifantspoort Scheme

10.2.4 Assurance of supply

Table 10-5: Assurance of Supply for Olifantspoort Scheme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/2026	2026/2027
Raw water allocation Mℓ/a	32 850	32 850	32 850	32 850	32850	32850	32850
Projected gross raw water demand Mℓ/a	32 850	32 850	32 850	32 850	32850	32850	32850
Water Services Coverage	1.00	1.00	1.00	1.00	1.00	1.00	1.00

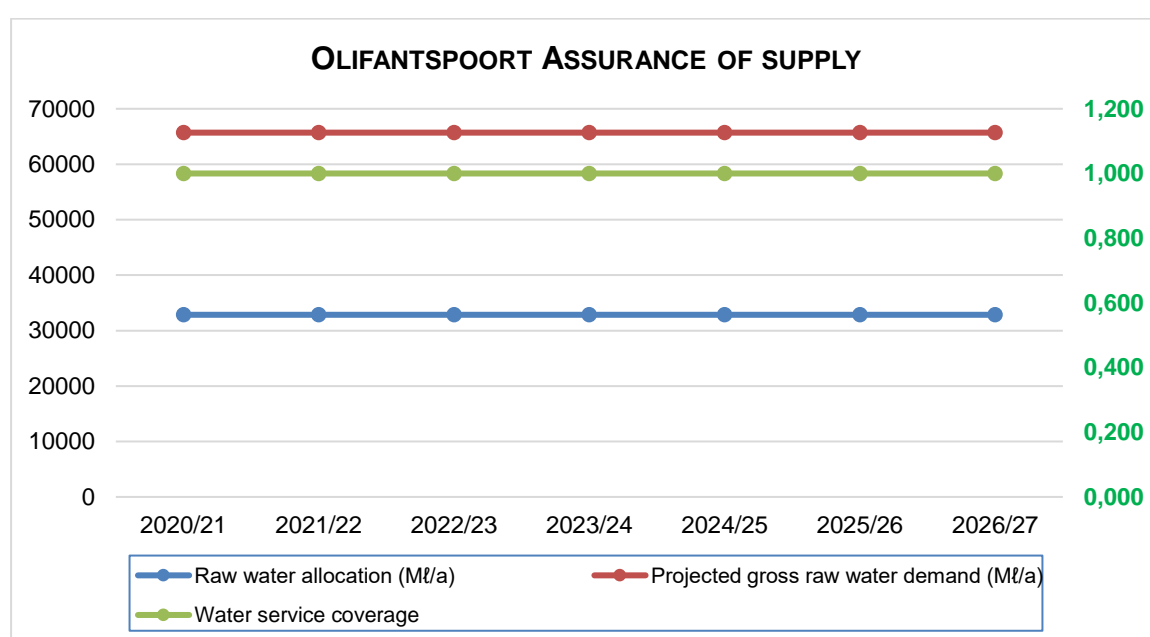


Figure 10-6: Assurance of Supply for Olifantspoort Scheme

The Scheme's water losses are estimated at 5% and LNW will by increasing its maintenance programme and the replacement of the Specon pipeline attempt to reduce the losses.

10.2.5 Water Conservation and Demand Management

Currently Polokwane Municipality consumes 44% of the supply from Olifantspoort and the municipality has got a cost recovery system in place. Sekhukhune District Municipality currently consumes 3.5% of the water supplied from Olifantspoort and does not have a cost recovery or demand management programme in place. Capricorn District Municipality consumes 52% of the supply from Olifantspoort mainly in

Lebowakgomo. This town is fully reticulated with little water demand management and cost recovery.

With proper Water Demand Management, the consumption should decrease between 15% and 20%. The saving in demand will be allocated to the un-served areas.

10.2.6 Major water sources

Water is abstracted from a weir in the Olifants River plus minus 60km downstream of the Flag Boshielo dam. The plant is abstracting and purifying the amount of 60 Mℓ/day. LNW has requested an increment for its Water abstraction licence to 120 Mℓ/day.

10.2.7 Ability of available resource to meet demand.

A new abstraction license has been issued for 32 850 Mℓ/annum or 90 Mℓ/day. The plant currently belongs to DWS and is operated by LNW.

The current allowable provision for abstraction is 21 900 Mℓ/annum. The current abstraction license approved is 32 850 Mℓ/annum. This however does not stress the source, due to the fact that the abstraction from the Lebalelo Water Users Association is much lower than anticipated. The height of the wall of Flag Boshielo Dam was raised by 5m in 2006 and this considerably increased the capacity of the dam.

During periods of drought both the Dap Naude and Ebenezer Dams systems are vulnerable due to their small catchment areas.

10.2.8 Impact of reducing water losses and improving non-revenue water

The purification plant losses, which include filter backwash and other plant associated usage is 3%. Pipeline distribution is below 5%. These are at acceptable levels and will have no serious effect on the water resource.

10.2.9 New resource development

Future demand will be supplied from the planned Olifants River Water Development Project (ORWRDP).

LNW applied for a license to abstract 43 800 Mℓ/annum at Olifantspoort and only 32 850 Mℓ/annum has been granted. The future assurance of supply on the scheme is based on the approval of the application for this additional raw water abstraction. It is anticipated that the Olifantspoort Plant will eventually be increased to deliver up to 120 Mℓ/day once the De Hoop Dam is completed together with its bulk raw water pipelines.

10.2.10 Harnessing Water Sources

Acquiring of water rights from the farmers who has water allocation but not using it, is not an option associated with this scheme as it will be linked with De Hoop and therefore will be able to get more allocation as per the submissions made to the Department of Water and Sanitation.

10.2.11 Description of current infrastructure

Only potable water is transferred through this scheme, which requires no raw water transfer infrastructure. All infrastructures will be shown under “Potable Water Supply”.

10.2.12 New infrastructure

Project to upgrade the Olifantspoort plant in line with the new licence is required to commence. The main plant will upgrade from current 60 to 90 Mℓ/d. To run concurrently will be the project to upgrade the pipeline from the plant to Specon reservoirs in Lebowakgomo and eventually upgrade the pipeline to Polokwane. A contractor was appointed to upgrade the 2,4km Specon pipeline and the project was completed to be completed in February 2021.

10.3 DOORNDRAAI SCHEME

10.3.1 Contractual obligation

A bulk supply contract that stretches until 2030 is in place with Mogalakwena Municipality through the partnership agreement between Mogalakwena, Anglo Platinum and LNW. The supply to Mogalakwena Municipality is currently for Mokopane, Mahwelereng and surrounding villages.

10.3.2 The major consumers

The towns of Mokopane and Mahwelereng are the major consumers of water from the Doorndraai Scheme excluding the rural areas which are supplied by the Mogalakwena municipality through a number of boreholes amounting about 21.8 Mℓ/day.

10.3.3 Projected water demand

Mogalakwena Municipality shows a water demand of 56.10 Mℓ/day for Mokopane and Mahwelereng. The demand will increase to 59 Mℓ/day by the year 2019. The current water demand far exceeds the available sources in Mogalakwena municipality. There are sites that have been developed in Chroom Park, Nyl Park, Mokopane extensions 12 and 14. All these developments will need more bulk water supply which will require that other sources than the existing ones such as boreholes and the completion of De Hoop scheme are fast tracked.

LNW has a permit to abstract 4 380 Mℓ/annum, which is 12 Mℓ/day from Doorndraai Dam and 547.5 Mℓ/annum for Van Heerden and Moordrift boreholes. The new 5 Mℓ/d package plant was commissioned in 2022. With provision for filter backwash and other losses, an average of around 11.3 Mℓ/day is available from plant and 1.3 Mℓ/day from boreholes. There are small consumers also along the pipeline who consumes around 0.4 Mℓ/day, which leaves 1.9 Mℓ/day for Mokopane Municipality.

Mogalakwena augment its water requirements from boreholes as indicated below:

- Municipal boreholes 32.6 Mℓ/day including rural areas. It is critical that LNW look at the entire municipality's water demand in order to holistically support the municipality. The table below shows the balance between water available, and water needs for Mogalakwena municipality.

Table 10-6: Water demand vs. Water available from Doorndraai Scheme

	WATER DEMAND (Mℓ/DAY)	DOORNDRAAI (Mℓ/DAY)	BORE HOLE SUPPLEMENT (Mℓ/DAY)	MOGALAKWENA BOREHOLES (Mℓ/DAY)	WATER AVAILABLE (Mℓ/DAY)	SURPLUS/ DEFICIT (Mℓ/DAY)
2020/21	61.10	15	1.5	32.6	49.1	-12.0
2021/22	61.10	15	1.5	32.6	49.1	-12.0
2022/23	61.10	15	1.5	32.6	49.1	-12.0
2023/24	61.10	15	1.5	32.6	49.1	-12.0

	WATER DEMAND (Mℓ/DAY)	DOORNDRAAI (Mℓ/DAY)	BORE HOLE SUPPLEMENT (Mℓ/DAY)	MOGALAKWENA BOREHOLES (Mℓ/DAY)	WATER AVAILABLE (Mℓ/DAY)	SURPLUS/ DEFICIT (Mℓ/DAY)
2024/25	61.10	15	1.5	32.6	49.1	-12.0
2025/26	61.10	15	1.5	32.6	49.1	-12.0
2026/27	61.10	15	1.5	32.6	49.1	-12.0

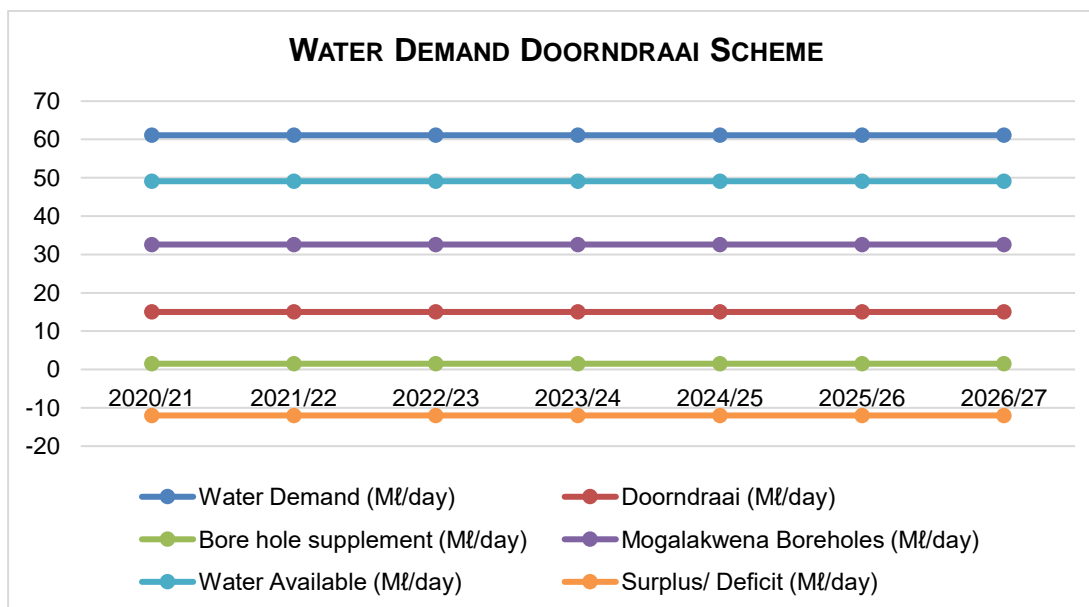


Figure 10-7: Water demand from Mogalakwena vs. water available from Doorndraai Scheme

From the above figures, it is clear that additional water resources need to be developed for the municipality hence the short-term intervention of exploring any available ground water to supplement the current surface water is considered. The long-term needs for the urban, peri-urban and the rural areas will be satisfied from the pipeline from the Flag Boshielo Dam through Olifants River Water Resource Development Programme (ORWRDP).

10.3.4 Assurance of supply

Currently LNW is abstracting as per licence condition. The engagement of farmers with water rights and not using the water will have to be considered but should be aligned with Department of Water and Sanitation' planning on the Flag Boshielo Dam to Mokopane pipeline.

LNW has applied for an abstraction increment of water licence to DWS from 12 Mℓ/day to 15 Mℓ/day from the Doorndraai dam and the process is still in progress. Gross raw water demand is obtained from the projected potable water demand plus 4%

purification plant usage through filter backwash and other associated plant water usage and distribution losses.

Table 10-7: Assurance of Supply from Doorndraai scheme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27
Water Allocation (Mℓ/annum)	5475	5475	5475	5475	5475	5475	5475
Projected gross raw water demand (Mℓ/annum)	8 825	9 192	9 558	9 924	9 924	9 924	9 924
Water Service Coverage	0.50	0.48	0.46	0.44	0.44	0.44	0.44

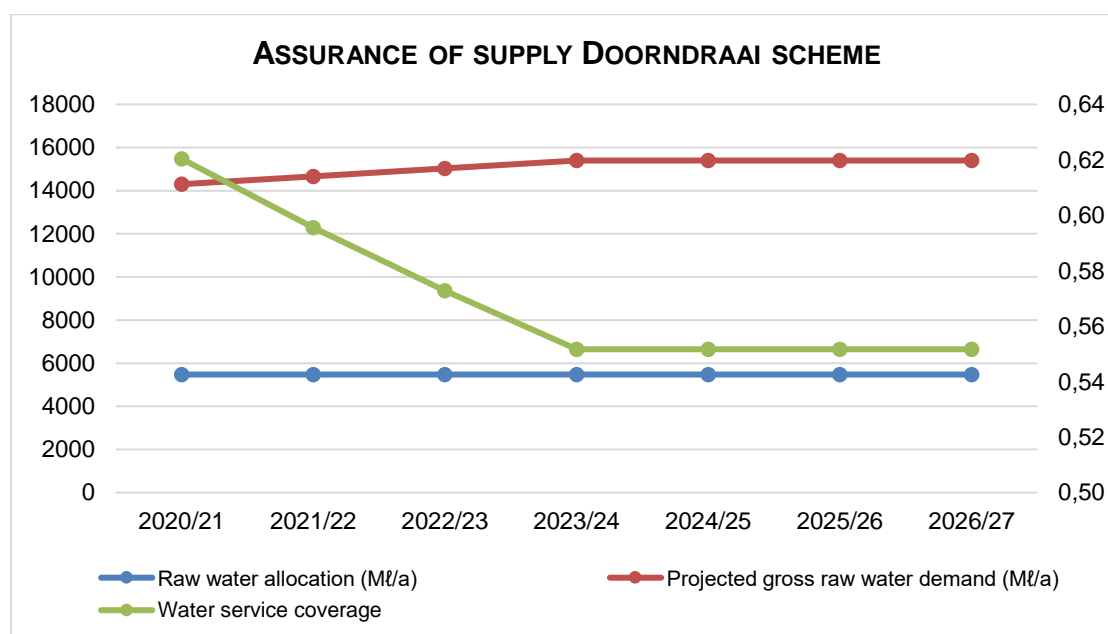


Figure 10-8: Assurance of Supply for Doorndraai Scheme

10.3.5 Water conservation and demand management

Mogalakwena Municipality consumes 95% of the water supplied from Doorndraai. The balance is supplied to the small consumers along the line between the purification works and the town. All consumers from this source are metered and billed on a monthly basis.

10.3.6 Major water sources

Water is abstracted from the Doorndraai Dam, which is three kilometres from the purification plant. LNW currently has a permit to extract 4 380 Mℓ/annum.

10.3.7 Ability of available resource to meet demand.

As indicated under “Projected water demand” the demand is above the available water sources. The water will grow to a shortage of 12 Mℓ/day by 2019/20.

As can be seen under “infrastructure capacities and utilization” the current purification plant capacity is 12 Mℓ/day and is able to produce 13.20 Mℓ/day of potable water for limited period. The pumping and pipeline capacities are 16 Mℓ/day. By extending the purification plant capacity to meet the pumping and pipeline capacities, it is possible to deliver 16.00Mℓ/day to Mokopane.

10.3.8 Impact of reducing water losses and improving non-revenue water

Purification plant losses, which include filter backwash and other plant-associated usage, are at 3%, which is acceptable. Pipeline distribution losses are also low at 2%. These losses are negligible and will not have an effect on the water resource.

10.3.9 New resource development required.

As described under “ability of available resources to meet demand” the purchasing of farmers’ water rights may become necessary to increase LNW’s abstraction from the current 4 380 Mℓ/annum i.e., if the farmers are willing to transfer their water rights. Alternatively, this can be assisted by DWS’s Water Allocation Reform programme, which is currently running. LNW has engaged Moordrift farmers and they currently providing 1.5 Mℓ/day borehole water to Mokopane Town.

The alternative is the construction of the pipeline from Flag Boshielo Dam to Pruissen whereby Mogalakwena municipality will construct relevant treatment works and pipelines to Mokopane and other villages. LNW has already engaged Mogalakwena for partnership in constructing the bulk distribution infrastructure in line with the completion of the pipeline to Pruissen.

10.3.10 Increase Water Sources

As described under “ability of available resources to meet demand” the purchasing of farmers’ water rights may become necessary to increase LNW’s abstraction from the current 4 380 Mℓ/annum. This is however dependent on the planning of the Flag

Boshielo to Mokopane pipeline and the willingness of the farmers to transfer their water rights. LNW is in discussion with farmers to purchase any available water from them.

10.3.11 Bulk supply infrastructure

The bulk supply infrastructure consists of the following:

- Supply Canal and pipeline from Doorndraai Dam to purification plant
- Purification plant consisting of settling tanks, filters and a high-pressure pump station.
- Package purification plant.
- Rising main of 450mm diameter for 35km into two reservoirs in town.

10.3.12 Infrastructure capacities and utilization

Table 10-8: Infrastructure capacities and utilisation for Doorndraai scheme

UNIT	PREDICTED AVG. DAILY DEMAND – Mℓ/d	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Raw Water Abstraction	Installed (Mℓ/d)	38.00	38.00	38.00	38.00	38.00	38.00
	Available (Mℓ/d)	38.00	38.00	38.00	38.00	38.00	38.00
	Utilized (Mℓ/d)	20.31	20.91	21.79	21.79	21.79	22.47
	Peak Factor	1.87	1.82	1.74	1.74	1.74	1.69
Purification Systems Capacity	Installed (Mℓ/d)	17.00	17.00	17.00	17.00	17.00	17.00
	Available (Mℓ/d)	17.00	17.00	17.00	17.00	17.00	17.00
	Utilized (Mℓ/d)	22.47	22.47	22.47	22.47	22.47	22.47
	Peak Factor	0.78	0.76	0.76	0.76	0.76	0.81
Pumping Capacity	Installed (Mℓ/d)	16.00	16.00	16.00	16.00	16.00	16.00
	Available (Mℓ/d)	17.00	17.00	17.00	17.00	17.00	17.00
	Utilized (Mℓ/d)	21.11	21.69	21.69	21.69	21.69	21.69
	Peak Factor	0.83	0.81	0.78	0.78	0.78	0.83
Distribution Pipeline Capacity	Installed (Mℓ/d)	16.00	16.00	16.00	16.00	16.00	16.00
	Available (Mℓ/d)	16.00	16.00	16.00	16.00	16.00	16.00
	Utilized (Mℓ/d)	21.11	21.69	21.69	21.69	21.69	21.69
	Peak Factor	0.78	0.76	0.74	0.74	0.74	0.71

Apart from the clear water contact tank there is no storage facility at Doorndraai because the water is pumped directly into reservoirs in town. The reservoirs in town belong to the municipality.

10.3.13 New infrastructure required.

LNW is completed and commissioned a 5 Ml/day package plant to increase capacity and ensure assurance of supply to Mogalakwena Local Municipality.

10.3.14 Condition of bulk potable water infrastructure

The bulk infrastructure is still in fairly good conditions. The pipeline has been assessed in order to check if it is repairable or not so that it can be utilised for extra water from groundwater around the area as well as a backup in case where repairs are undertaken on the other line.

10.3.15 Major refurbishment

There will be minor refurbishment in various process units of the plant such as high lift pumps and other related equipment.

10.3.16 Operational arrangements

The Doorndraai scheme is LNW's property and operations, and maintenance are done in-house.

11 BULK POTABLE WATER SUPPLY PLAN

11.1 INTRODUCTION

LNW operates a total of 27 schemes within its supply area, twenty-three (23) Water Treatment Works (which includes package plants and borehole systems), four (4) Wastewater Treatment works.

Table 11-1: List of schemes operated by LNW.

NAME OF SCHEME	DISTRICT MUNICIPALITY SITUATED IN	OWNED BY	CAPACITY Me/DAY
Phalaborwa	Mopani DM	LNW	148.00
Olifantspoort	Capricorn DM	LNW	60,00

NAME OF SCHEME	DISTRICT MUNICIPALITY SITUATED IN	OWNED BY	CAPACITY Me/DAY
Ebenezer	Mopani DM	LNW	50,00
Dehoop/Malekane	Sekhukhune DM	Sekhukhune DM	17,00
Doorndraai	Waterberg	LNW	12,00
Mooihoek	Sekhukhune DM	Sekhukhune DM	12,00
Flag Boshielo	Sekhukhune DM	Sekhukhune DM and DWS	12,00
Politsi	Mopani DM	LNW	5,50
Burgersfort	Sekhukhune DM	Sekhukhune DM	7,5
Marble Hall	Sekhukhune DM	Ephraim Mogale Municipality	3,30
Steelpoort Conventional	Sekhukhune DM	Sekhukhune DM	5,00
Nkadimeng	Sekhukhune DM	Sekhukhune DM	3,00
Hlogotlou	Sekhukhune DM	Sekhukhune DM	2,00
Steelpoort Boreholes	Sekhukhune DM	Sekhukhune DM	0,75
Ohrigstad	Sekhukhune DM	Sekhukhune DM	0,35
Kutullo	Sekhukhune DM	Greater Tubatse	0,30
Mapodille	Sekhukhune DM	Greater Tubatse	0,75
Nandoni	Vhembe DM	Department of Water and Sanitation	60,00
TOTAL VOLUME			399,45

Table 11-2: Wastewater Schemes operated on behalf of SDM

Name of Scheme	District Municipality Situating In	Owned by	Capacity Me/day
Marble Hall WWTW	Sekhukhune DM	Ephraim Mogale Municipality	1,50
Burgersfort WWTW	Sekhukhune DM	Greater Tubatse Municipality	11,50
Groblesdal WWTW	Sekhukhune DM	Sekhukhune DM	5,00
Steelpoort WWTW	Sekhukhune DM	Greater Tubatse Municipality	0,20
TOTAL VOLUME			19,20

11.1.1 Potable Water and Wastewater Effluent Quality Standards

Water service institutions such as LNW should ensure that water provided by them complies with the numerical limits given in the South African National Standard for drinking water (SANS 241). The SANS 241 is a risk-based approach that has 4 categories, namely microbiological, chemical non-health, operational and Chemical Chronic compliance. In instances where SANS 241 quality targets are not met; the schemes will respond to such failures according to approved water quality incident response protocols. Below are the quality targets for financial year 2023/24:

Table 11-3: SANS 241 compliance targets

PARAMETER	TARGETED COMPLIANCE TO SANS 241
Acute health Chemical compliance	95%

PARAMETER	TARGETED COMPLIANCE TO SANS 241
Acute health Microbiological compliance	97%
Aesthetic compliance	95%
Chronic Health Chemical compliance	95%
Operational compliance	95%

A risk-based water quality monitoring programme for catchment, treatment process and reticulation are in place. Through this programme Lepelle Northern Water is able to manage final water quality and production costs. The raw water quality issues that Lepelle Northern Water mitigates are summarised as follows:

Table 11-4: Raw water quality issues being mitigated.

WATER SOURCE	CONSTITUENTS OF CONCERN	STATUS
Flag Boshielo Dam	High organic content, Odour problems and phosphates	Ongoing research is to classify the total organic content
Middle Olifants River	High turbidity during rains and high organic content	Olifants upgrade project includes construction of an onsite dam for use during high turbidity periods.
Lower Olifants River	High organic content	Research is to classify the total organic content
Doorndraai River	Iron and Manganese	Dam levels monitored dam level sitting below 10%
Letaba River	Nutrients from WWTW and Agricultural Activities	Water quality monitoring is ongoing
Magoebaskloof Dam	High Organic Content	Water quality monitoring is ongoing
Modjadji Dam	None	None
Nandoni Dam	Nutrients from Thohoyandou WWTW	Nutrient loading is a concern, monitoring is ongoing. Catchment management forum to be formed.
Spekboom River	Salts from mining activities	Treatment process sufficient since plant upgrade with settling tanks
Tubatse River	Nutrients from mining and agricultural activities and pollution	Upstream and downstream water quality monitored
De Hoop Dam	Nutrients	Water quality monitoring is ongoing
Nkadimeng Dam Ebenezer Dam	None	None
Loskop Dam	Nutrients from Agricultural activities and WWTW upstream	Treatment process sufficient

11.1.2 Asset Management

11.1.2.1 Planned Maintenance

The main objective of Planned Maintenance is to preserve the functioning of physical assets throughout their useful lives. Managing assets through their entire lifecycle is critical towards the achievement of return on investment. LNW has adopted the

Reliable Centred Maintenance (RCM) approach. The focus of this approach is on maintaining the critical items of infrastructure.

Trends identified through asset tracking enable LNW to increase operational efficiencies and provide the tool to reduce costs. Potential revenue is lost when optimality cannot be achieved from the use of an asset. LNW encourages operators to take custodianship of assets allocated to them and to ensure that they effectively maintained.

The maintenance teams of LNW plan and control at the lowest level possible to ensure that the highest possible availability and the lowest down time rate are achieved. In order to achieve our main objective, LNW Planned Maintenance did adopt a condition-based maintenance approach wherever cost effective and apply the following:

- Periodic analysis of oil samples for transformers, large pumps, and vehicles
- Recording the duration between breakdowns and callouts and action plans are implemented to avoid recurrence.
- Condition monitoring techniques such as vibration analysis are used to determine preventative maintenance actions required.

LNW adopted the culture of responding to failures and deviations within 24 hours. The Maintenance Strategy is to maintain the installed equipment in an acceptable condition and utilize resources effectively.

The above is supported by a Maintenance Management System to ensure:

- The safety of personnel and plant.
- Optimum availability of plant.
- Optimum reliability of plant.
- Extension of the useful life of equipment (assets)
- Ultimate utilization of plant and personnel
- Good economic practices

Reliability Centred Maintenance (RCM) is the maintenance approach used when following a process that assesses equipment condition and determines the maintenance requirements of any physical asset in its operating context.

The RCM methodology addresses key issues not dealt with by other maintenance programs. This approach recognizes that all equipment in a facility is not of equal

importance – to either the process or to facility needs and safety. LNW recognize that equipment design and operations differ and that each piece of equipment will have a different probability of undergoing failure from degradation than will another hence the focus on reliability of equipment. A reliability-focused approach will mean structuring a maintenance program based upon the understanding of equipment needs and priorities, as well as limited financial and personnel resources, to plan activities such that equipment maintenance is prioritized whilst operations are optimized.

With the use of sophisticated equipment LNW is able to recognize the very early stages of damage and/or failure, and then recommend applicable preventative action in advance.

The four-major condition-monitoring techniques applied by LNW are:

- Tribology.
- Vibration Analyses.
- Laser Alignment; and
- Measuring Pump efficiency

LNW's has adopted a "Roots Cause Analysis" approach to problem solving. A reliable and functional Maintenance management information system is in place. Various systems are in place, which measure performance. This information is used continuously for benchmarking against competitive organizations. Some of this information is also used for SAAWU benchmarking.

11.1.2.2 Performance Analysis

Scheme Managers and Maintenance Officers are responsible for effective management of the infrastructure investment. This includes:

Table 11-5: Responsibilities of Scheme managers in various plants

FINANCIAL PERFORMANCE MEASURES	PLANT HEALTH PERFORMANCE MEASURES	PEOPLE HEALTH PERFORMANCE MEASURES
Human Capital	Days' work order outstanding	Maintenance compliment
General expenditures	Work order backlog	Productivity
Capital expenditures	Average time to repair	Sick leave / leave
Maintenance material costs	Equipment availability	Labour efficiency
Overtime expenditure	Call outs	Labour Utilization
Maintenance stock value	Break – downs / Failures	Task performance
	Plant Availability	Health & Safety

Standby capacity (emergencies) and Strategic Inventories

Wherever financially viable LNW has standby capacity on its critical assets in order to minimize the potential of failure of supply. These assets are tested and maintained on a regular basis in order to ensure the functionality of these items.

It is company practice to keep key strategic spares in stock for the major and specialist non-off-the-shelf items like spare rotating elements for the main pump-sets where the afore-mentioned option is not viable.

Contingency planning

Almost all of LNW's schemes have an installed water storage capacity of more than 24 hours, and reservoirs are normally maintained at more than sixty percent full. Where reservoir retention times are less than 24 hours LNW will continue to construct additional reservoirs starting to ensure reliable supply of water.

In addition, good working relationships are developed and maintained with the Board's Stakeholders. Operations personnel are aware of their important users of water such as hospitals, bakeries, major industries, schools. When the security of water supply becomes uncertain, advance warning of these customers ensures that the end consumers can be warned in good time and so that usage can be minimized.

The good working relationships with these major customers also ensures that, if necessary, they can be approached for support with temporary spares and/or extra maintenance resources should an emergency arise due to an unforeseen problem. In cases of floods, an early warning system has been installed in the Phalaborwa scheme and this is to be extended to the Flag Boshielo, Olifantspoort which are on the Olifants River.

Conditions of Supply

In general, all consumers are to make provision for a minimum of 48-hour storage to mitigate possible interruptions in supply and during shutdowns.

11.1.3 Production and Operational Control

After the water purification process, water is pumped to the various consumers with some reservoirs situated more than 90km away.

The process controller at purification plant needs continuous information regarding the levels of the reservoirs to which water is being pumped as well as inflow and outflow rates at the reservoirs in order to adjust water purification rates at the plant. All plants operated by LNW are controlled using Telemetry.

11.2 PHALABORWA SCHEME

11.2.1 Contractual obligation

A Bulk Water Supply Contract with Mopani District Municipality, as the Water Services Authority is in place. LNW has concluded industrial Bulk water supply contracts with Palabora Copper, Farmers World Limpopo, and Foskor.

11.2.2 Major consumers

Potable water – Ba-Phalaborwa Municipality

Industrial water – Palabora Copper, Foskor, and Farmers World Limpopo

Table 11-6: Phalaborwa water demand versus Supply

YEAR	POTABLE WATER M³/DAY	INDUSTRIAL WATER M³/DAY	TOTAL DEMAND M³/DAY	AVAILABLE SUPPLY M³/DAY
2023/24	88.06	43.80	146.86	175.34
2024/25	89.66	43.80	148.46	175.34
2025/26	91.30	43.80	150.10	175.34
2026/27	92.68	43.80	151.48	175.34
2027/28	94.30	43.80	153.10	175.34
2028/29	97.68	43.80	156.48	175.34

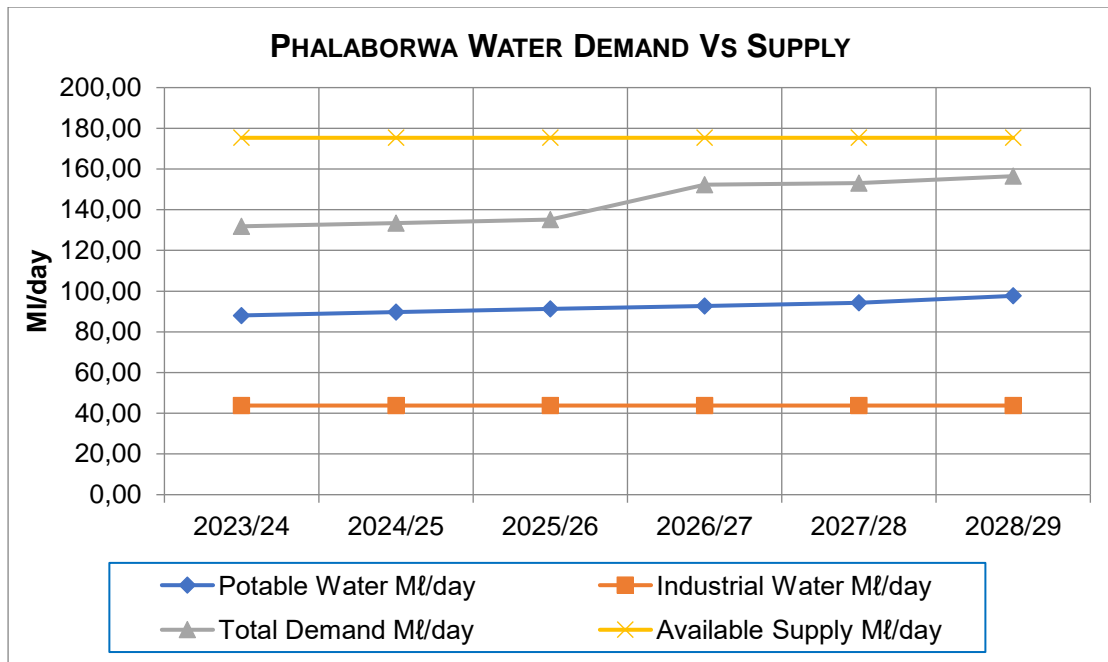


Figure 11-1: Water demand for Phalaborwa Scheme

All potable water produced is sold to Ba-Phalaborwa Municipality. The consumption figures above take population growth into consideration. The potable scheme capacity is currently at 76Ml/d however, the future demand requires the plant upgrade to achieve the projected water demand from 2023/2024 going forward.

Industrial Water

The current forecasts for individual mines are Palabora Copper 15 Ml/day, Foskor 25 Ml/day and Farmers World Limpopo is 3.8 Ml/day, which amounts to 43.8 Ml/day. The current forecasts volume has been reduced from 58,80 Ml/day to 43,80 Ml/day due to the revised Foskor quota from 40 Ml/day to 25 Ml/day.

11.2.3 Assurance of supply

Table 11-7: Assurance of Supply for Phalaborwa Scheme

Year	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Raw water allocation Ml/annum	64.000	64.000	64.000	64.000	64.000	64.000
Projected Gross Raw Water Demand Potable Ml/annum	32.142	32.725	33.323	33.828	34.420	35.653
Industrial Ml/annum	15.987	15.987	15.987	15.987	15.987	15.987

Total Ml/annum	48.125	48.712	49.310	49.815	50.407	51,640
Water Service Coverage	1.33	1.31	1.30	1.28	1.27	1.24

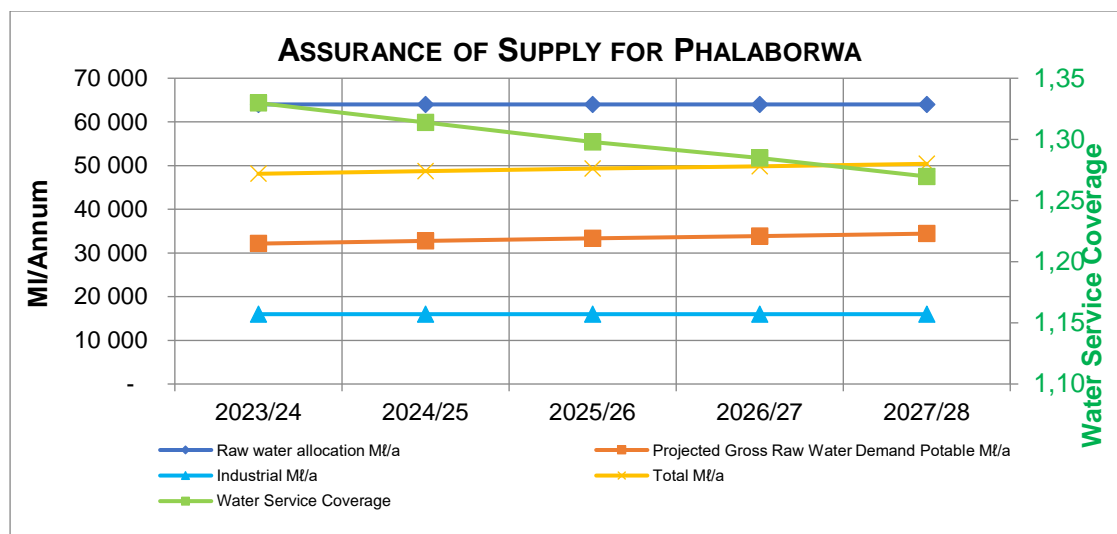


Figure 11-2: Assurance of Supply for Phalaborwa Scheme

11.2.4 Water conservation and demand management

The scheme is currently producing more than the potable plant capacity (76 Ml/day) due to population growth and new development. The scheme has high water loss which is due to illegal connections and aging infrastructure. The implementation of Water conservation and Demand Management is imperative in addressing the high consumption within the area of supply. The industrial water usage is strictly controlled by the consumers to prevent any surplus water flowing out of the system.

11.2.5 Major water sources

Water is abstracted at the Phalaborwa Barrage in the Olifants River. The main source of supply is the Olifants River and Blyderivierspoort Dam. The abstraction right is 64 million m³ per annum.

11.2.6 Ability of major resources to meet demand.

The quantity of water abstracted is below the allocation which allows the plant to be upgraded to meet the required/projected potable demand.

11.2.7 Impact of reducing water losses and improving non-revenue water

During dry season the, purification plant losses, which include filter backwash and other plant-associated usage, , is averaged at 3% however, during wet/rainy season the plant losses increases up to 10,26% due to frequent desludging of the purification process. This will be managed as soon as the sludge lagoon project is completed and operational.

Pipeline distribution loss is above 5% due aging infrastructure and unauthorised connections. The refurbishment of potable lines in implemented in phases. Installation of zonal meters along the hot spot has been incepted for the billing to include unauthorised connection along the bulk lines.

11.2.8 New resource development required.

There is a potential of upgrading the potable system to cater the high-water consumption which will be confirmed by conducting feasibility study and system analysis. The 560mm line, which is currently isolated along PMC mine, needs to be rerouted with the assistance of PMC. The isolated portion is inaccessible due to magnetite mining activity.

11.2.9 Bulk supply infrastructure

The bulk supply infrastructure consists of:

- Barrage with 22 sluice gates
- Raw water pumping station with five water pumps
- Settling tanks and filters
- Main pump station with three sets of potable water pumps and seven industrial water pumps.
- Three potable water pipelines with a total length of $\pm 160\text{km}$, of diameters 546, 560 and 800mm respectively.
- 700mm potable pipeline which interconnect the 800mm pipeline with the 350mm pipeline back to town.
- One 680mm diameter industrial water pipeline to Foskor $\pm 10\text{km}$ long.
- One 990mm diameter industrial water pipeline to Palabora Mining Company
- $\pm 10\text{km}$ long, which extends another 5km to the former Sasol Nitro to form a 300mm line.

11.2.10 Infrastructure capacities and utilization

Table 11-8: Infrastructure capacities and utilisation for Phalaborwa Scheme

Units	Projected Average Daily Demand Ml/day	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Raw water abstraction (potable and Industrial)	Installed (Ml/day)	201,00	201,00	201,00	201,00	201,00	201,00
	Available (Ml/day)	201,00	201,00	201,00	201,00	201,00	201,00
	Utilised (Ml/day)	138,45	140,13	141,85	159,85	160,76	164,30
	Peak Factor	1,45	1,43	1,42	1,26	1,25	1,22
POTABLE WATER							
Purification System Capacity	Installed (Ml/day)	76,00	76,00	76,00	76,00	76,00	76,00
	Available (Ml/day)	76,00	76,00	76,00	76,00	76,00	76,00
	Utilised (Ml/day)	77,00	77,00	77,00	77,00	77,00	77,00
	Peak Factor	0,99	0,99	0,99	0,99	0,99	0,99
Pumping capacity	Installed (Ml/day)	136,00	136,00	136,00	136,00	136,00	136,00
	Available (Ml/day)	136,00	136,00	136,00	136,00	136,00	136,00
	Utilised (Ml/day)	77,00	77,00	77,00	77,00	77,00	77,00
	Peak Factor	1,77	1,77	1,77	1,77	1,77	1,77
Distribution Pipeline Capacity	Installed (Ml/day)	136,00	136,00	136,00	136,00	136,00	136,00
	Available (Ml/day)	136,00	136,00	136,00	136,00	136,00	136,00
	Utilised (Ml/day)	77,00	77,00	77,00	77,00	77,00	77,00
	Peak Factor	1,77	1,77	1,77	1,77	1,77	1,77
Storage Capacity	Installed (Ml/day)	88,60	88,60	88,60	88,60	88,60	88,60
	Available (Ml/day)	88,60	88,60	88,60	88,60	88,60	88,60
	Utilised (Ml/day)	88,60	88,60	88,60	88,60	88,60	88,60
	Peak Factor	1,00	1,00	1,00	1,00	1,00	1,00

Table 11-9 Industrial water for Phalaborwa Scheme

Units	Projected Average Daily Demand Ml/day	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Purification System Capacity	Installed (Ml/day)	72	72	72	72	72	72
	Available (Ml/day)	72	72	72	72	72	72
	Utilized (Ml/day)	43,8	43,8	43,8	43,8	43,8	43,8
	Peak Factor	1,6	1,6	1,6	1,6	1,6	1,6
Pumping capacity - PMC and Farmers World plus 25Ml/d for Foskor)	Installed (Ml/day)	89	89	89	89	89	89
	Available (Ml/day)	89	89	89	89	89	89
	Utilized (Ml/day)	43,8	43,8	43,8	43,8	43,8	43,8
	Peak Factor	1,7	1,7	1,7	1,7	1,7	1,7
	Installed (Ml/day)	74	74	74	74	74	74

Units	Projected Average Daily Demand MI/day	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Pumping capacity FOSKOR 15MI/day	Available (MI/day)	74	74	74	74	74	74
	Utilized (MI/day)	18,8	18,8	18,8	18,8	18,8	18,8
	Peak Factor	2,8	2,8	2,8	2,8	2,8	2,8
Distribution Pipeline Capacity PMC and Farmers World Limpopo plus 20MI/d for FOSKOR and 14 MI/d for new mine	Installed (MI/day)	89	89	89	89	89	89
	Available (MI/day)	89	89	89	89	89	89
	Utilized (MI/day)	45	45	45	45	45	45
	Peak Factor	1,7	1,7	1,7	1,7	1,7	1,7
Distribution Pipeline Capacity FOSKOR	Installed (MI/day)	74	74	74	74	74	74
	Available (MI/day)	74	74	74	74	74	74
	Utilized (MI/day)	25	25	25	25	25	25
	Peak Factor	3	3	3	3	3	3
Storage Capacity (MI)- PMC	Installed (MI/day)	54	54	54	54	54	54
	Available (MI/day)	54	54	54	54	54	54
	Utilised (MI/day)	1	1	1	1	1	1
	Peak Factor	48	48	48	48	48	48
Storage Capacity (MI)- FOSKOR	Installed (MI/day)	48	48	48	48	48	48
	Available (MI/day)	48	48	48	48	48	48
	Utilised (MI/day)	48	48	48	48	48	48
	Peak Factor	1	1	1	1	1	1
Storage Capacity (MI)- Farmers World Limpopo	Installed (MI/day)	13,5	13,5	13,5	13,5	13,5	13,5
	Available (MI/day)	13,5	13,5	13,5	13,5	13,5	13,5
	Utilised (MI/day)	13,5	13,5	13,5	13,5	13,5	13,5
	Peak Factor	1	1	1	1	1	1

The current agreement is that 20 MI/day is pumped to Palabora Cooper to transport slurry to FOSKOR. The FOSKOR agreement is reduced to 25MI/d.

11.2.11 New infrastructure

The Sludge lagoon project is in progress to reduce the plant losses.

11.2.12 Condition of bulk water infrastructure

Most of the infrastructures are more than 40 years old and major refurbishment programme is being implemented in to ensure surety of supply.

11.2.13 Major refurbishment

The major refurbishments are mainly on the plant mechanical and electrical infrastructure as well as the bulk pipelines and ancillary items. The barrage radial gates are currently undergoing major refurbishment. Phase 1 was completed in 2019/20. Phase 2 is in progress and will be completed in 2023/2024 financial year.

11.2.14 Operational arrangement

The Phalaborwa scheme is LNW 's property and Operations and Maintenance are done in-house.

11.3 POLITSI WATER SCHEME

11.3.1 Contractual Obligations

A bulk supply contract with the Mopani District Municipality as the Water Services Authority is in place.

11.3.2 Major consumers

The major consumer is Greater Letaba Municipality. The following areas are supplied with water from the Politsi Bulk Water Supply Scheme:

- Modjadjiskloof
- Ga-Kgapane (Township)
- Mokgoba settlement outside Modjadjiskloof
- Commercial farmers

11.3.3 Projected water demand

Politsi Water Treatment Works is already functioning beyond its maximum capacity of 6.75 Mℓ/day. The projected average water demand is indicated in Mℓ/day below, thus also confirming the need of upgrading the scheme to 10,5 Mℓ/day. .

The Upgrade of the Politsi plant to 10.5 Mℓ/day was completed during the 2017/18 financial year. However only 5.5 Mℓ/day is utilised since other components of the upgrade which are the upgrade of the raw water pipeline and pumping main from the

Politsi plant to Florida reservoir are not completed. These components are envisaged for completion once the dispute of the new Water Allocation of Lepelle Northern Water is resolved.

Table 11-10: Average Projected Water Demand Politsi Scheme

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Available from Politsi WTW Ml/day	5,50	5,50	5,50	5,50	5,50	5,50
Forecasted Demand (Ml/day)	18,55	18,82	19,84	20,69	21,54	22,39
Shortage (Ml/day)	13,05	13,32	14,34	15,19	16,04	16,89
Plant Upgrade (Ml/day)	10,50	10,50	10,50	10,50	10,50	10,50

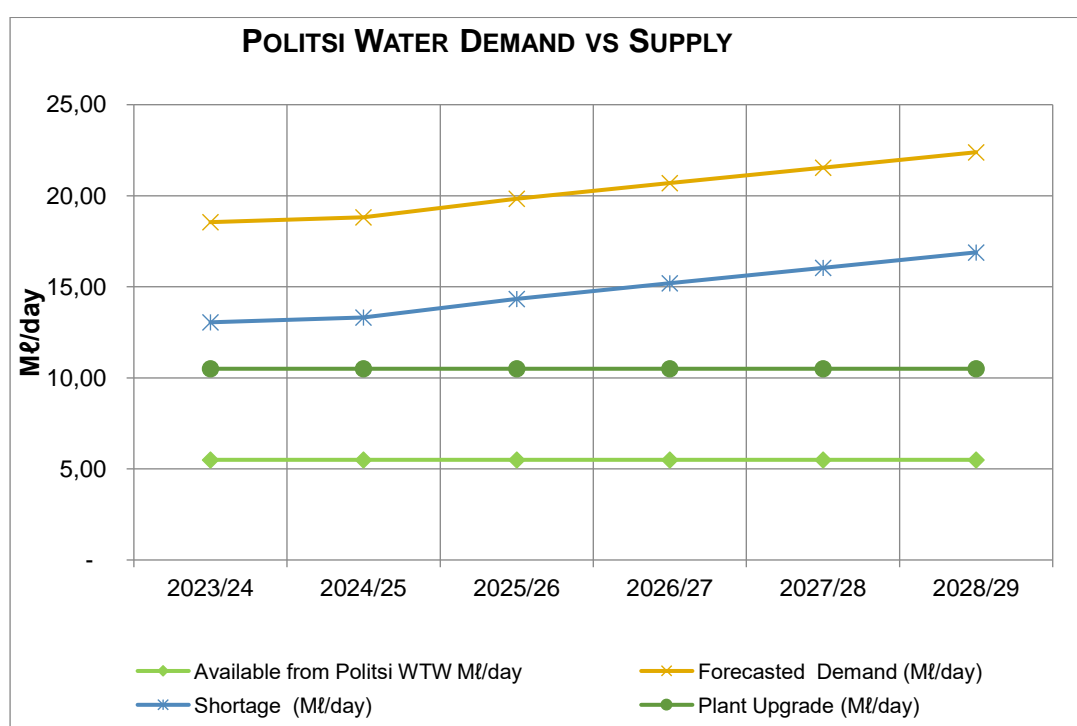


Figure 11-3: Politsi water demand

LNW has a permit to abstract 3 600 Ml/annum or 9.86 Ml/day from Magoebaskloof Dam. However, this permit was suspended due to the objection of the Water Use License by Tzaneen Irrigation Board. Therefore, the old permit of 2007, 5Ml/annum or 5.48Ml/day is currently in place.

11.3.4 Assurance of supply for Politsi Scheme

Table 11-11: Assurance of Supply for Politsi Scheme

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Raw water allocation Ml/a	2, 000	2, 000	2, 000	2, 000	2, 000	2, 000
Projected gross raw water demand Ml/a	6, 771	6, 869	7, 242	7, 552	7, 862	8, 172
Water service coverage	0,30	0,29	0,28	0,26	0,25	0,24

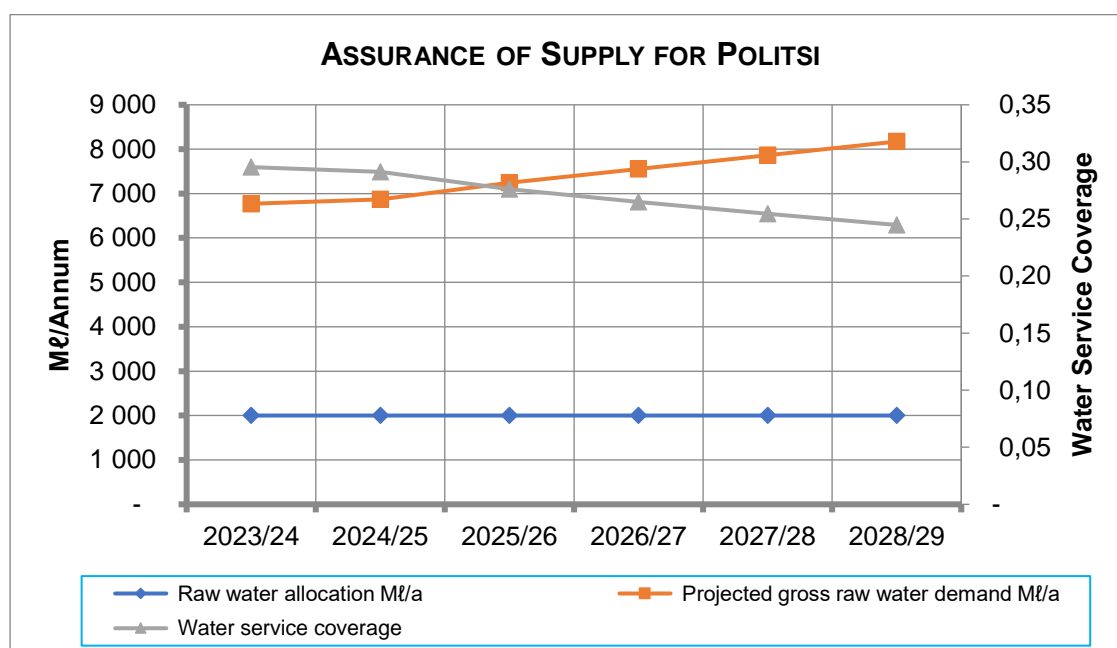


Figure 11-4: Assurance of Supply for Politsi Scheme

Gross water demand is obtained from the projected potable water demand plus 2% purification plant usage through filter backwash and other associated usage and distribution losses.

11.3.5 Water conservation and demand management

Modjadjiskloof and the Commercial Sector consume $\pm 20\%$ of the water supplied from Politsi Water Treatment Works.

Ga-Kgapane consumes $\pm 70\%$ of water supplied from Politsi. The formal areas of the Ga-Kgapane area are metered and billed, which means that a Cost Recovery System is in place. Lepelle Northern Water had previously assisted the WSA with the implementation of the Water Conservation and Demand Management.

11.3.6 Major water sources

Water is abstracted from Magoebaskloof dam. LNW had obtained a new permit to abstract 3.6 million m³ per annum (3,600 Mℓ/annum) or 9.86 Mℓ/day in 2015. There is a dispute against this permit, thus it be fully utilised when the dispute is resolved. The remaining components of the Plant Upgrade will thereafter be completed.

11.3.7 Ability of available resources to meet demand.

The plant has been upgraded from 5.5 Mℓ to 10.50 Mℓ/day due to the new Water Allocation of 3,600 Mℓ/annum or 9.86 Mℓ/day allocation. However, there is a dispute lodged against the new allocations. Processes are in place to resolve this.

11.3.8 Impact of reducing water losses and improving non-revenue water

Pipeline losses at this plant are only around 2.5% due to aged infrastructure. Purification plant losses stand at less than 1%.

11.3.9 New resource development required.

Construction of the pipeline from the plant to Florida reservoir as well as the pipeline from the Vergelegen dam to the plant were suspended. These projects will continue when the dispute of the Water use allocation of LNW is resolved. Planning is underway for the upgrade of pipeline and ancillary equipment supplying Ga-Kgapane.

11.3.10 Bulk supply infrastructure

The bulk supply infrastructure consists of the following:

- Canal pipeline from Magoebaskloof dam to Vergelegen dam
- Supply pipeline from Vergelegen dam to the purification plant
- Purification plant that consists of settling tanks and filters.
- Three clear water pumps
- Raising main of 350mm diameter (7.8km long) from purification plant to Florida Reservoir (4.5 Mℓ)
- One 250mm diameter pipeline (21.6km long) to a 6.0 Mℓ reservoir at Ga-Kgapane
- Gravity pipeline (300mm diameter – 4.95km) from Florida Reservoir to break pressure break tank

- One 250mm diameter pipeline (9km long) to a 4,5 Mℓ reservoir at Panorama

11.3.11 Infrastructure capacities and utilization

Table 11-12: Infrastructure capacities and utilisation for Politsi Scheme

Units	Predicted avg. daily demand MI/d	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Raw water abstraction	Installed (MI/d)	5.50	5.50	10.50	10.50	10.50	10.50
	Available (MI/d)	5.50	5.50	10.50	10.50	10.50	10.50
	Utilised (MI/d)	5.50	5.50	10.50	10.50	10.50	10.50
	Peak Factor	1.0	1.0	1.0	1.0	1.0	1.0
Purification Systems	Installed (MI/d)	10.50	10.50	10.50	10.50	10.50	10.50
	Available (MI/d)	10.50	10.50	10.50	10.50	10.50	10.50
	Utilised (MI/d)	5.50	5.50	10.50	10.50	10.50	10.50
	Peak Factor	1.91	1.91	1.00	1.00	1.00	1.00
Pumping Capacity	Installed (MI/d)	15.00	15.00	15.00	15.00	15.00	15.00
	Available (MI/d)	15.00	15.00	15.00	15.00	15.00	15.00
	Utilised (MI/d)	5.50	5.50	10.50	10.50	10.50	10.50
	Peak Factor	2.73	2.73	1.43	1.43	1.43	1.43
Distribution Pipeline	Installed (MI/d)	5.50	5.50	15.00	15.00	15.00	15.00
Capacity	Available (MI/d)	5.50	5.50	15.00	15.00	15.00	15.00
	Utilised (MI/d)	5.50	5.50	10.50	10.50	10.50	10.50
	Peak Factor	1.00	1.00	1.43	1.43	1.43	1.43
Storage Capacity (MI) Florida (4.5 Mℓ) Modjadjiskloof (3.5 Mℓ) Ga-Kgapane (6.0 Mℓ)	Installed	14.15	14.15	14.15	14.15	14.15	14.15
	Available	14.15	14.15	14.15	14.15	14.15	14.15
	Utilised	14.15	14.15	14.15	14.15	14.15	14.15
	Peak Factor	1.00	1.00	1.00	1.00	1.00	1.00

11.3.12 New infrastructure

A 5MI/d package plant was installed and commissioned however not in use due to the incomplete new raw water line and pumping main to Florida reservoir. The construction of the new raw water pipeline to the plant and the pumping main from the Politsi Plant to Florida Reservoir are envisaged for completion once the dispute in the water use license is resolved. Processes are in place to resolve the dispute.

11.3.13 Condition of bulk potable water infrastructure

Through proper Planned Preventative Maintenance, done by highly qualified personnel, LNW keeps the bulk potable water infrastructure in good condition. The bulk asbestos cement pipeline has many pipe breakages due to age. LNW has replaced the portion of the AC pipeline that goes to the Commercial users. The long-term plans will be to replace the asbestos line with steel pipe and to replace the line towards Ga-Kgapane due to frequent breakages.

11.3.14 Major refurbishment

There will be minor refurbishment of various process units within the plant in order of priority.

11.3.15 Operational arrangements

The Politsi scheme is LNW's property and Operations and Maintenance are done in-house.

11.4 NANDONI SCHEME

11.4.1 Contractual obligation

Lepelle Northern Water Lepelle Northern Water is operating and maintaining the Nandoni scheme. The infrastructure belongs to DWS. The service level agreement between LNW and VDM as the water services authority is in place for a 10-year period.

11.4.2 Major consumers

Major consumers are Thulamela Local Municipality, Collins Chabane Local Municipality and Makhado Local Municipality.

11.4.3 Projected water demand

Nandoni treatment works is already functioning at its maximum capacity of 60 Mℓ/day. There are plans in place to upgrade Nandoni plant from 60 Mℓ/day to 180 Mℓ/day in phases as the scheme envisaged to supply Giyani local Municipality, Makhado local Municipality and Capricorn District Municipality

Table 11-13: Average Projected Water Demand Nandoni Scheme

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Available from Nandoni WTW Ml/day	60,00	60,00	60,00	80,00	120,00	120,00
Forecasted Demand (Ml/day)	74,00	76,80	78,00	81,90	85,80	89,70
Shortage (Ml/day)	14,00	16,80	18,00	1,90	-34,20	-30,30
Plant Upgrade (Ml/day)				20,00	40,00	-

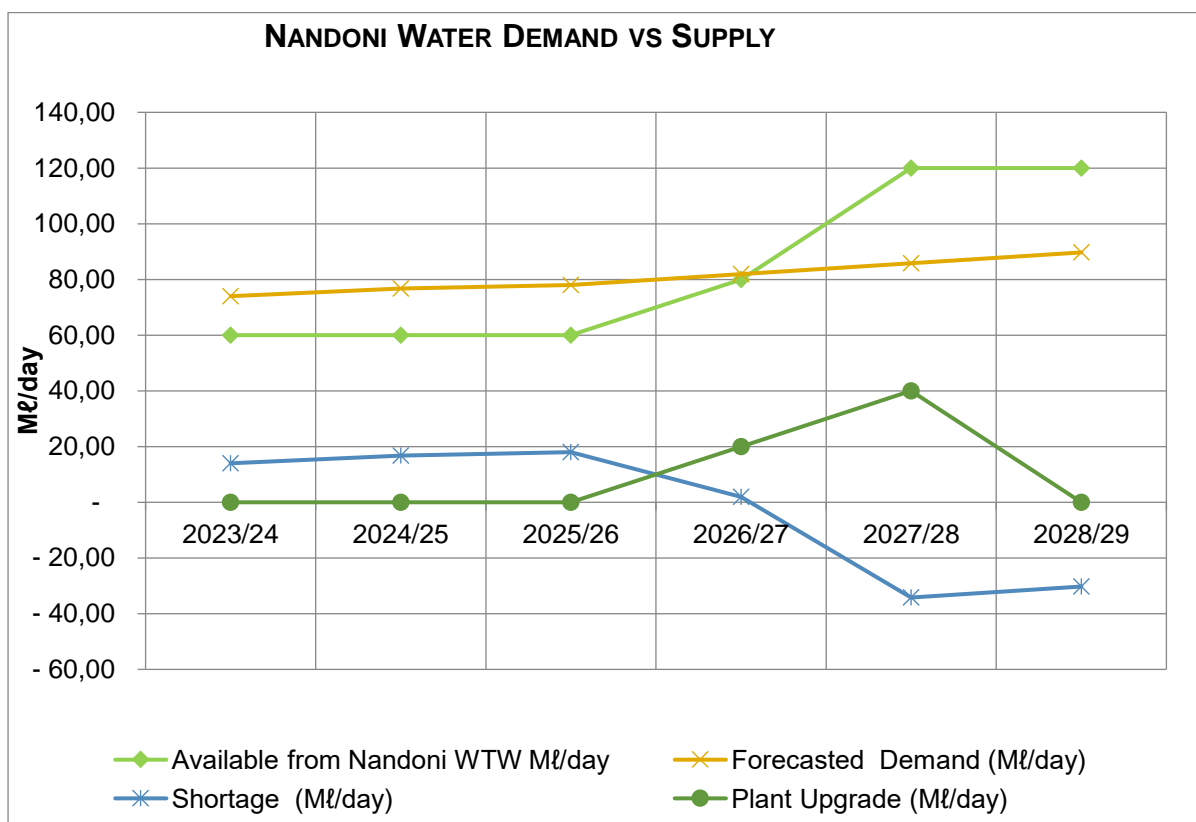


Figure 11-5: Nandoni water demand

11.4.4 Assurance of supply

Table 11-14: Assurance of Supply for Nandoni Scheme

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Raw water allocation Ml/a	21 900	21 900	21 900	21 900	21 900	21 900
Projected gross raw water demand Ml/a	6 771	6 869	7 242	7 552	7 862	8 172
Water service coverage	3,23	3,19	3,02	2,90	2,79	2,68

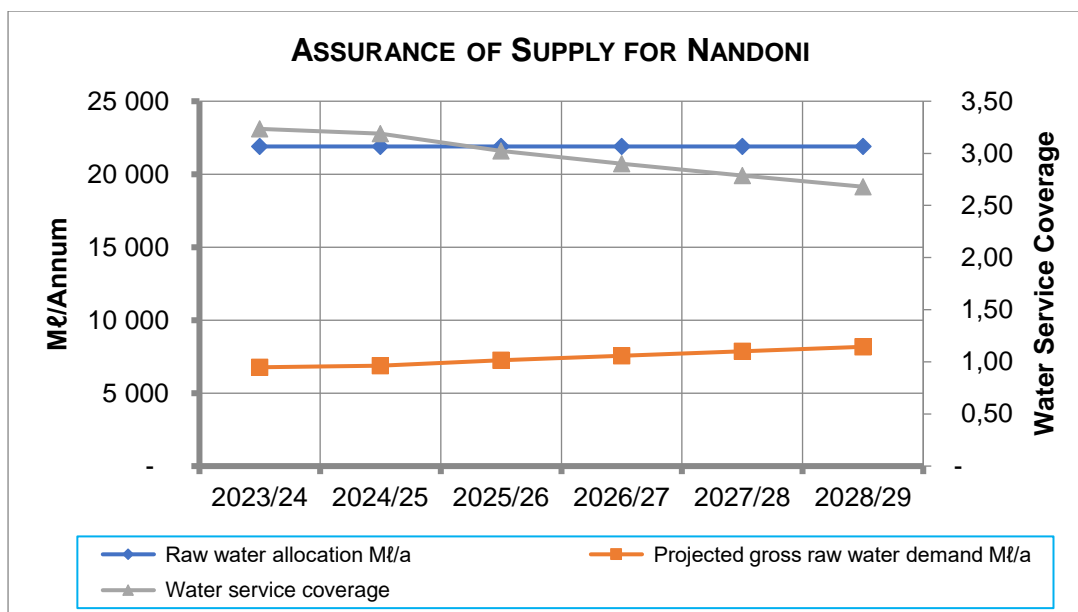


Figure 11-6: Assurance of Supply for Nandoni Scheme

11.4.5 Water conservation and demand management

There are illegal connections in parts of the scheme. High demands are experienced during hot weather conditions. These may reduce significantly through Water conservation and Demand Management.

11.4.6 Major water sources

Water is abstracted at the Nandoni dam. The abstraction right is 48 million m³/a of water from the dam is available or authorised for domestic use.

11.4.7 Ability of major resources to meet demand.

The quantity of water abstracted is within the allocation.

11.4.8 Impact of reducing water losses and improving non-revenue water

Purification plant losses are on average 2%. Pipeline distribution losses is now determined and is 2%.

11.4.9 New resource development required.

New resource development is not envisaged at this stage.

11.4.10 Bulk supply infrastructure

The bulk supply infrastructure consists of:

- Raw water pumping station
- Settling tanks and filters
- Clear Water pump station with potable pump sets NR5, NR6 and NN20B.
- Three potable water pipelines NR5, NR6 and NN20B lines
- Three potable command reservoirs NR5, NR6 and NN20B
- Mavambe and Gumbani booster pump stations

11.4.11 Infrastructure capacities and utilisation

Table 11-15: Infrastructure capacities and utilisation for Nandoni Scheme

	Predicted avg. daily demand Ml/d	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Raw water abstraction	Installed (Ml/d)	60	60	60	60	60	60
	Available (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
	Utilised (Ml/d)	54,00	54,00	54,00	54,00	54,00	54,00
	Peak Factor	1,1	1,1	1,1	1,1	1,1	1,1
Purification Systems	Installed (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
	Available (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
	Utilised (Ml/d)	54,00	54,00	54,00	54,00	54,00	54,00
	Peak Factor	1,11	1,11	1,11	1,11	1,11	1,11
Pumping Capacity	Installed (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
	Available (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
	Utilised (Ml/d)	54,00	54,00	54,00	54,00	54,00	54,00
	Peak Factor	1,11	1,11	1,11	1,11	1,11	1,11
Distribution Pipeline	Installed (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
Capacity	Available (Ml/d)	60,00	60,00	60,00	60,00	60,00	60,00
	Utilised (Ml/d)	54,00	54,00	54,00	54,00	54,00	54,00
	Peak Factor	1,11	1,11	1,11	1,11	1,11	1,11
Storage Capacity (Ml) Mudabula (2.5 Ml) NR7 reservoir (12.5 Ml) Valdezia (10 Ml) Nr8 reservoir (2 Ml) NN20B reservoir (2 Ml) NR6 Reservoirs (20 Ml) NR% Reservoir (10 Ml)	Installed	60,00	60,00	60,00	60,00	60,00	60,00
	Available	60,00	60,00	60,00	60,00	60,00	60,00
	Utilised	54,00	54,00	54,00	54,00	54,00	54,00
	Peak Factor	1,11	1,11	1,11	1,11	1,11	1,11

11.4.12 New infrastructure

Plans are underway for the upgrade of the plant from the current 60MI/d to 120 MI/d. Construction of the bulk pipeline from Nandoni to Nsami is in progress. Plans are underway for the construction of new pump station within the plant that will cater Nandoni to Giyani pipeline.

11.4.13 Condition of bulk water infrastructure

The scheme is fairly new, thus most of the infrastructures is in a good state of repair. The NR5 line from the plant to Mavambe pump station, which is a GRP line requires refurbishment due to constant breakages experienced.

11.4.14 Major refurbishment

Planning is underway for major refurbishment of some parts of the plant and the bulk lines.

11.4.15 Operational arrangement

The Nandoni scheme is operated by Lepelle Northern Water on behalf of the Department of Water and Sanitation/Vhembe District Municipality. Operations and Maintenance are done in-house by LNW.

11.5 FLAG BOSHIELO SCHEME

11.5.1 Contractual obligation

Lepelle Northern Water has signed a 10-year contract that is starting from the 01st February 2020 to 31st January 2030 with Sekhukhune District Municipality to operate and maintain their entire bulk water infrastructure on their behalf. Flag Boshielo is amongst the bulk scheme that LNW is operating in full.

11.5.2 Major consumers

The major consumers are mainly rural villages in the Flag Boshielo area. A total of 156 villages are supplied with water and SDM is responsible for collecting the revenue on the reticulation side. SDM is supplied with the metering and billing. A part of Ephraim

Mogale Local Municipal, Elias Motswaledi Local Municipality and Makhuduthamaga Local Municipality area are also the customers.

11.5.3 Projected water demand

The water demand in Flag Boshielo is rapidly increasing due to expansion of villages and more yard connections in the villages. This means that people who are connected are using more than 25 l/c/d. Furthermore, water demand management needs to be intensified to ensure equitable distribution of water.

Table 11-16: Flag Boshielo water demand vs. Supply

	PLANT CAPACITY Mℓ/DAY	PACKAGE PLANT CAPACITY Mℓ/DAY	BOREHOLES Mℓ/DAY	TOTAL CAPACITY AVAILABLE Mℓ/DAY	TOTAL WATER DEMAND	SURPLUS/ DEFICIT
2020/21	8	4	0.0	12.0	11.38	0.62
2021/22	16	0	0.0	16	12.19	3.81
2022/23	16	0	0.0	16	13.01	2.99
2023/24	16	0	0.0	16	13.83	2.17
2023/24	16	0	0.0	16	14.65	1.35
2024/25	16	0	0.0	16	15.47	0.53

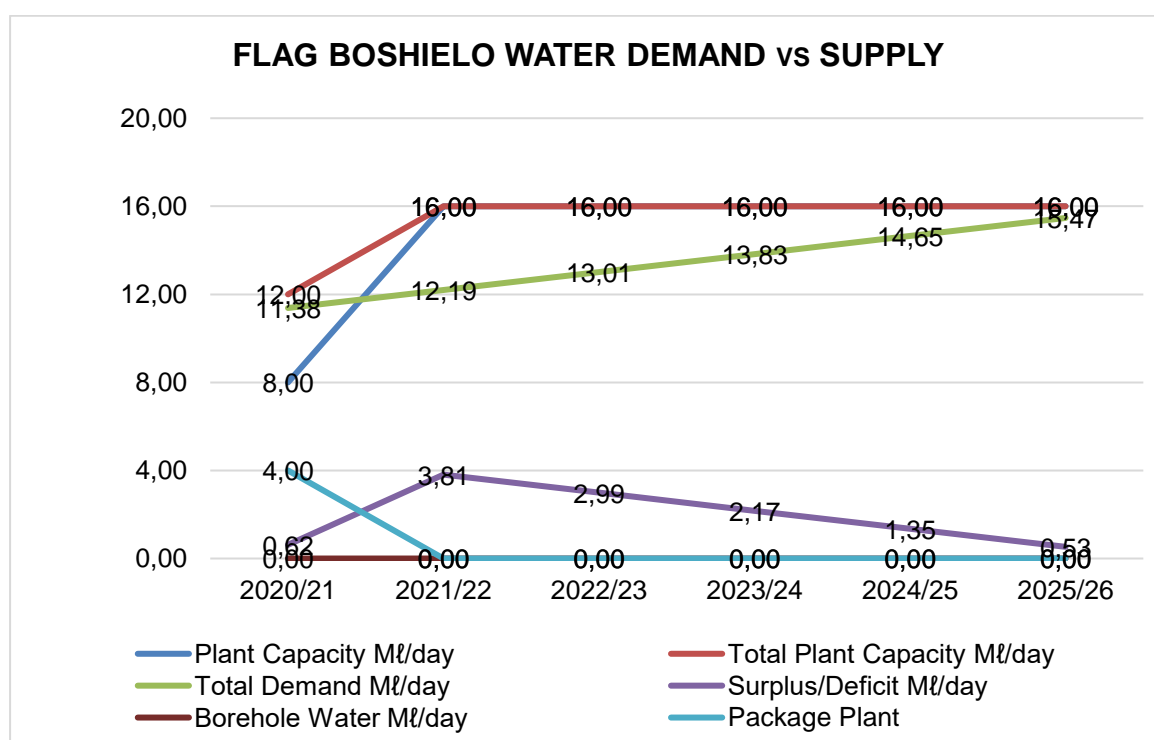


Figure 11-7: Water demand from Flag Boshielo Scheme

It can be seen from the graph that the current water demand of Flag Boshielo is less than the capacity of the plant which is 16Mℓ/day. Of importance is to advise and support the WSA in implementing water demand management.

11.5.4 Assurance of supply

Table 11-17: Assurance of Supply for Flag Boshielo Scheme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Raw water allocation from Flag Dam (Mℓ/a)	10 950	10 950	10 950	10 950	10 950	10 950
Projected gross raw water demand (Mℓ/a)	5840	5840	5840	5840	5840	5840
Water service coverage	1.06	1.04	1.02	1.05	1.17	1.17

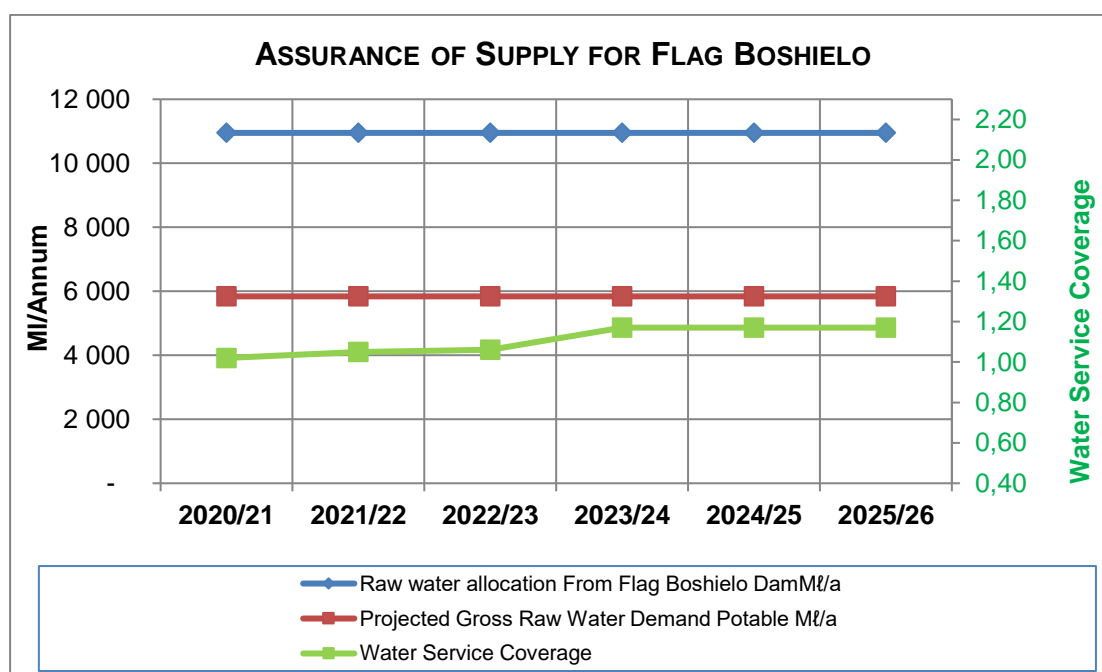


Figure 11-8: Assurance of Supply for Flag Boshielo Scheme

Gross raw water demand is obtained from the projected potable water demand plus 5% purification plant usage through filter backwash and other associated plant water usage and distribution losses.

11.5.5 Water conservation and demand management

Water Demand Management and Water Conservation need to be strengthened in order to maximize the availability of water to other areas. The continuous unauthorized

yard connections have affected the existing cost recovery programme drastically. If Water Demand Management is re-introduced in Flag Boshielo Scheme, the water consumption might even be lower than the projected demand.

11.5.6 Major water sources

Water is abstracted from the Flag Boshielo dam, which is 1.0 km from the purification plant. LNW has a permit to extract 10950 Mℓ per annum out of the dam. This permit will allow LNW to meet the demand for the next ten years.

11.5.7 Ability of available plant capacity to meet demand.

The current plant capacity will be sufficient for the next five years provided water demand management is intensified.

11.5.8 Impact of reducing water losses and improving non-revenue water

Purification plant losses, which include filter backwash and other plant-associated usage, have been set to be around 4.0%, and the plant is able to achieve that. The pipeline distribution is set at 6.0% which is a challenge to meet due to high rate of illegal connection and vandalism.

11.5.9 New resource development required.

The current resource allocation will be sufficient for the next five years. However, there is a feasibility study underway to develop the scheme water master plan in which exploring ground water that can supplement when need arise is included in the study.

11.5.10 Bulk supply infrastructure

The bulk supply infrastructure consists of the following:

- Supply pipe from Flag Boshielo dam to the purification works.
- Purification plant consisting of flocculation channels, settling tanks, filters and high-pressure pump station.
- Rising main delivering water into command reservoirs.
- Ten (10) pump stations.
- Nine command reservoirs – 1.0Mℓ-5.3 Mℓ storage.
- Village reservoirs – 100m³ to 300m³ storage.

11.5.11 Infrastructure capacities and utilization

Table 11-18: Infrastructure capacities and utilisation for Flag Boshielo scheme

	PROJECTED AVERAGE DAILY DEMAND ML/DAY	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Raw Water Abstraction							
	Installed (Ml/day)	32.00	32.00	32.00	32.00	32.00	32.00
	Available (Ml/day)	32.00	32.00	32.00	32.00	32.00	32.00
	Utilised (Ml/day)	16,24	15,38	15.38	16.24	15.38	16.24
POTABLE WATER Purification System Capacity		2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	Installed (Ml/day)	20.45	12.45	16	16	16	16
	Available (Ml/day)	12.45	12.0	16	16	16	16
	Utilised (Ml/day)	10.50	10.504.0 0	14.50	15.00	15.00	15.50
Pumping capacity	Peak Factor	1.2119	1.231	1.253	1.275	1.297	1.3129
	Installed (Ml/day)	12.00	12	20	20	20	20
	Available (Ml/day)	12.00	16	16	16	16	16
	Utilised (Ml/day)	10.50	14.00	14.50	15.00	15.00	15.50
Distribution Pipeline Capacity	Peak Factor	1.14	1.21	1.23	1.25	1.27	1.29
	Installed (Ml/day)	136.00	136.00	136.00	136.00	136.00	136.00
	Available (Ml/day)	136.00	136.00	136.00	136.00	136.00	136.00
	Utilised (Ml/day)	71.00	71.00	71.00	71.00	71.00	71.00
Storage Capacity	Peak Factor	1.92	1.92	1.92	1.92	1.92	1.92
	Installed (Ml/day)	24.00	24.00	24.00	24.00	24.00	24.00
	Available (Ml/day)	24.00	24.00	24.00	24.00	24.00	24.00
	Utilised (Ml/day)	24.00	24.00	24.00	24.00	24.00	24.00
Raw Water Abstraction	Peak Factor	1.00	1.00	1.00	1.00	1.00	1.00
	Installed (Ml/day)	32.00	32.00	32.00	32.00	32.00	32.00
	Available (Ml/day)	32.00	32.00	32.00	32.00	32.00	32.00
	Utilised (Ml/day)	11.93	12.05	12.18	12.53	12.31	12.53
	Peak Factor	2.68	2.65	2.63	2.55	2.60	2.55
	Installed (Ml/day)				8.3	8.3	8.3

	PROJECTED AVERAGE DAILY DEMAND ML/DAY	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Purification System Capacity	Available (Mℓ/day)	12.45	12	16	16	16	16
	Utilised (Mℓ/day)	12.45	12	16	16	16	16
Pumping Capacity	Peak Factor	14.00	14.50	15.00	15.00	15.50	16
	Installed (Mℓ/day)	1.46	1.41	1.36	1.36	1.32	1.28
	Available (Mℓ/day)	20.45	20.45	20.45	20.45	20.45	20.45
	Utilised (Mℓ/day)	20.45	20.45	20.45	20.45	20.45	20.45
Distribution Pipeline Capacity	Peak Factor	14.00	14.50	15.00	15.00	15.50	16
	Installed (Mℓ/day)	1.46	1.41	1.36	1.36	1.32	1.28
	Available (Mℓ/day)	136.00	136.00	136.00	136.00	136.00	136.00
	Utilised (Mℓ/day)	136.00	136.00	136.00	136.00	136.00	136.00
Storage Capacity (Mℓ/d)	Peak Factor	71.00	71.00	71.00	71.00	71.00	71.00
	Installed (Mℓ/day)	1.92	1.92	1.92	1.92	1.92	1.92
	Available (Mℓ/day)	24.00	24.00	24.00	24.00	24.00	24
	Utilised (Mℓ/day)	24.00	24.00	24.00	24.00	24.00	24
	Peak Factor	24.00	24.00	24.00	24.00	24.00	24

11.5.12 New infrastructure

The scheme is being upgraded from 12 Mℓ/day to 16 Mℓ/day in order to extend services the other areas of Sekhukhune District municipality. The plant was only commissioned and on the production process.

11.5.13 Condition of bulk potable water infrastructure

Lepelle Northern Water has signed a 10 years' contract with Sekhukhune District Municipality with effect from January 2020 to 31st January 2030 to operate and maintain their entire bulk water infrastructure on their behalf. Burgersfort and Steelpoort are amongst the bulk schemes that LNW operating in full. This new contract includes new schemes like De hoop, Steelpoort and Mooihoek Water works.

11.5.14 Major refurbishment

LNW has made a provision to replace the sections of the pipeline that burst from time to time and those that are damaged due to illegal connection in the main or bulk pipeline.

11.5.15 Operational arrangements

Flag Boshielo scheme is in the process of being transferred to SDM. LNW is appointed to operate and maintain the scheme on their behalf. All the employees on the scheme are LNW's personnel. LNW has been appointed bulk service provider by Sekhukhune District Municipality to operate and maintain this scheme.

11.6 BURGERSFORT SCHEME

11.6.1 Contractual obligation

Lepelle Northern Water has a 10 years' contract with Sekhukhune District Municipality with effect from 1st of February 2020 to 31st January 2030 to operate and maintain their entire bulk water infrastructure on their behalf. Burgersfort and Steelpoort are amongst the bulk schemes that LNW operating in full. This new contract includes new schemes like De hoop, Steelpoort and Mooihoek Water works.

11.6.2 Major consumers

The major consumers are mainly the towns of Burgersfort and Steelpoort. The area is currently under major development, and this has a direct impact on the water demand.

11.6.3 Projected water demand

The projected water demands are based on anticipated rapid development in Fetakgomo, Tubatse Local Municipality specifically Burgersfort area because of the mining that is taking place in the area. The Burgersfort scheme is compensated by the Mooihoek WTW which started operating on the 2nd of November 2017.

Table 11-19: Projected water demand for Burgersfort

	2020/21	2021/22	2022/23	2023/24	2024/25	2024/25
Water Available Ml/day	5.00	5.00	5.00	5.00	5.00	5.00
Water Demand (Ml/day)	11.20	12.00	12.60	13.20	13.60	14.00
Boreholes (Ml/day)	2.50	2.50	2.50	2.50	2.50	2.50
Surplus/Deficit (Ml/day)	6,20	7.00	7.60	8,20	8.60	9.00
Water Supply from Mooihoek (Ml/day)	5.00	5.00	5.00	5.00	5.00	5.00
Water Avail inc Supply from Mooihoek (Ml/day)	12.50	12.50	12.50	12.50	12.50	12.50

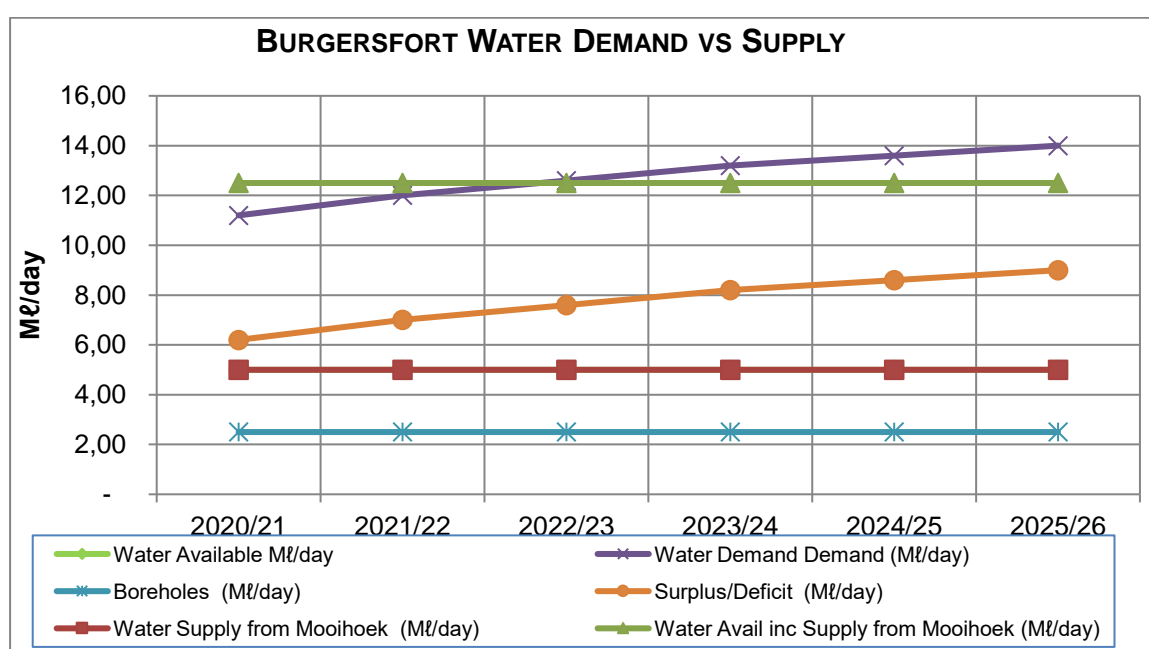


Figure 11-9: Projected water demand in Burgersfort Scheme

The graph above depicts that both Burgersfort and Mooihoek already needs plant upgrade so that it meets the current water demand. It is imperative that the existing feasibility studies be reviewed in line with future water requirements and available sources.

11.6.4 Assurance of supply

Table 11-20: Assurance of Supply for Burgersfort Scheme

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Raw water allocation Ml/a	1,825	1,825	1,825	1,825	1,825	1825
Boreholes Ml/a	912	912	912	912	912	912

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
Total Borehole & Raw Water Ml/a	2,737	2,737	2,737	2,737	2,737	2,737
Projected gross raw water demand Ml/a	4,818	4,964	5,037	5,110	5183	5,256
Water service coverage	0.38	0.37	0.36	0.36	0.35	0,35
Ohrigstad borehole Ml/a	035	035	035	035	035	035

The graph shows that a supplement from Mooihoek Regional Plant is required in order to meet the requirements of Burgersfort. Gross raw water demand is obtained from the projected potable water demand plus 5% purification plant usage through filter backwash and other associated plant water usage and distribution losses.

11.6.5 Water conservation and demand management

Water Demand Management and Water Conservation are being implemented in this area. All the consumers are billed, and the cost is recovered. There are proper institutional arrangements for the management and improvement of cost recovery through improved credit control and effective billing.

11.6.6 Major water sources

Water is abstracted from the Spekboom River and augmented by boreholes, which is 0.2km from the purification plant. Two of the five boreholes are owned by the farmer who has the water rights where the water treatment works is situated. Mooihoek Regional Scheme is supposed to supplement the deficit in Burgersfort, Bothasoek, Praktiseer and Steelpoort conventional plant will supplement the demand within Steelpoort area.

11.6.7 Ability of available resource to meet demand.

The water abstraction from the river is supplemented by the boreholes because there are times when the flow in the river is inadequate to supply sufficient water e.g. end of winter season.

11.6.8 Impact of reducing water losses and improving non-revenue water

Purification plant losses, which include filter backwash and other plant-associated usage, are around 5% which is acceptable.

11.6.9 New resource development required.

The ORWRDP project has been commissioned and the 2C pipe ends at Steelpoort New Pump station which has two offtakes i.e., Malekane/De Hoop Treatment works and Steelpoort treatment works.

11.6.10 Bulk supply infrastructure

The bulk supply infrastructure consists of the following:

- Two raw water pumps from the Spekboom River.
- Eight sedimentation tanks and one settled water reservoir.
- Purification plant consisting of two set of upward and downward rapid sand filters, two forebay and two pump stations.
- Rising main delivering water into command reservoirs.

11.6.11 Condition of bulk potable water infrastructure

Through proper planned preventative maintenance, done by highly qualified personnel, LNW keeps the bulk potable water infrastructure in a good condition. Below is the planned major expenditure for the next five years.

11.6.12 Major refurbishment

LNW has made a provision to replace the sections of the pipeline that burst from time to time.

11.6.13 Operational arrangements

Burgersfort and Steelpoort schemes are owned by SDM. LNW is appointed to operate and maintain the scheme on their behalf. All the employees on the scheme are LNW's personnel. Over and above the current scheme operated by LNW on behalf of SDM, there are new 3 Wastewater and 6 water plants added on the contract as from 01 March 2014 within Fetakgomo Tubatse Local Municipality. However, Malekane -Jane Furse bulk pipeline is not yet commissioned.

Marble Hall Scheme

11.6.14 Contractual obligation

Lepelle Northern Water has a 10 years' bulk contract with Sekhukhune District Municipality with effect 1st of February 2020 to operate and maintain their entire bulk water infrastructure on their behalf. Ephraim Mogale Local Municipality is amongst the bulk scheme that LNW is operating in full.

11.6.15 Major consumers

The main consumers are Marble Hall town, Urban settlement and Marble Hall Industrials. influent coming to the plant is mainly domestic sewage from the town of Marble Hall. There is a minimal impact from industries because they are operating seasonally. All consumers have a sustainable assurance of water supply.

11.6.16 Water conservation and demand management

Water Demand Management and Water Conservation are being implemented in this area. All the consumers are billed, and the cost is recovered. There are proper institutional arrangements for the management and improvement of cost recovery through improved credit control and effective billing.

11.6.17 Major water sources

Water is received via a canal from Loskop Dam on a weekly basis.

11.6.18 Ability of available resource to meet demand.

The current source is enough unless more communities tap from the canal because it passes through various areas where people do not have basic water for drinking.

11.6.19 Impact of reducing water losses and improving non-revenue water

Most of the water losses have been kept to minimum. There is no "as built" and therefore making it a challenge to identify the entire network in order to close all the gaps leading to water losses. LNW is however in the process of identifying all those gaps and close them.

11.6.20 New resource development required.

No major new resource development is required.

11.6.21 Bulk supply infrastructure

The bulk supply infrastructure consists of the following:

- The plant has a capacity of 3.3 Ml/day.
- It receives water through a canal from Loskop Dam.
- Raw water is pumped to the new purification plant and the package plant.
- Purification plant consisting of flocculation channels, sedimentation tanks, rapid sand filters, contact tank, disinfection unit and the pump station.
- Rising main delivering water into command reservoirs.

11.6.22 New infrastructure

1.5 Ml/d package plant has been installed as a new infrastructure. This was found to be cost effective compared to refurbishing the old plant section of the works for now and for availing spare capacity when the current plant treatment section is to be under refurbishment.

11.6.23 Condition of bulk potable water infrastructure

The condition of one section of the plant is in bad state and therefore need to be refurbished intensively.

11.6.24 Major refurbishment

LNW has made a provision to refurbish the entire water treatment works because it is in a dilapidated state of repair.

11.6.25 Operational arrangements

Marble Hall water scheme is owned by SDM. LNW is appointed to operate and maintain the scheme on their behalf. All the employees on the scheme are LNW's personnel. LNW has been appointed bulk service provider by Sekhukhune District Municipality to operate and maintain this scheme.

11.7 MARBLE HALL WASTEWATER SCHEME

11.7.1 Contractual obligation

Lepelle Northern Water has a 10 years' bulk contract with Sekhukhune District Municipality with effect from 1st February 2020 to operate and maintain their entire bulk water infrastructure on their behalf. Ephraim Mogale is amongst the bulk scheme that LNW operating in full.

11.7.2 Major Users

The main influent coming to the plant is mainly domestic sewage from the town of Marble Hall. There is a minimal impact from industries because they are operating seasonally.

11.7.3 Ability of available resource to meet demand.

The current plant has the ability to treat the domestic sewage that is currently received. There are however plans to upgrade the plant in order to meet the requirements of the new development that is underway.

11.7.4 Bulk infrastructure

The bulk infrastructure consists of the following:

- The plant is a 1.5 Ml/day capacity.
- It consists of a grit channel, the sump where the sewage pumps pump the raw sewage to the clarifiers where heavier materials settle and the supernatant overflow to the maturation ponds.
- Thickened sludge is then pumped to the drying beds for disposal after it has dried.

11.7.5 New infrastructure

LNW made provision for a new pipeline that will discharge the treated effluent to the nearest stream. Installation of the palisade fence to provide the security for the employees and LNW equipment as the place is marred by constant stores breaking.

11.7.6 Condition of bulk infrastructure

The infrastructure is in need of major maintenance and repairs.

11.7.7 Major refurbishment

Refurbishment of single quarters, clarigesters and the drying beds amongst others will be implemented after the finalisation of the infrastructure masterplan and in case SDM offered to commit with a consent letter to LNW for capital expenditure. Alternatively, if the contractual agreement can be amended to cover refurbishment and replacement where LNW see it deem to do so.

11.7.8 Operational arrangements

Marble Hall wastewater is owned by SDM. LNW is appointed to operate and maintain the scheme on their behalf. LNW has been appointed bulk service provider by the Sekhukhune District Municipality to operate and maintain this scheme.

11.8 BURGERSFORT WASTEWATER WORKS

11.8.1 Contractual obligation

Lepelle Northern Water has signed 10 years' contract with Sekhukhune District Municipality to operate and maintain their entire bulk water infrastructure on their behalf. Burgersfort wastewater is amongst the bulk scheme that LNW is operating in full.

11.8.2 Major Users

The major users are mainly from the town Burgersfort, honey suckers from industries and mines.

11.8.3 Ability to meet demand.

The current plant is operating above its operating capacity. The plant upgrade is underway, increasing the plant capacity from 1.50 Mℓ/day to 11.5 Mℓ/day with a 10 Mℓ/day package plant.

11.8.4 Bulk infrastructure

The bulk infrastructure consists of the following:

- The plant has a capacity of 1.5 Ml/day.
- It consists of a grit channel, flow meter, aerobic activated plant, clarifier, contact tank, disinfection unit, lagoon, and the drying beds.
- It has a standby generator for lights.
- Thickened sludge is pumped to the drying beds for disposal after it has dried.

11.8.5 New infrastructure

No new infrastructure envisaged.

11.8.6 Condition of bulk infrastructure

The infrastructure is still in a fairly good condition despite the fact that the plant is operating under difficult conditions especially that it receives influent that is more than double its capacity.

11.8.7 Major refurbishment

There will be no major refurbishment once the plant is upgraded.

11.8.8 Operational arrangements

Burgersfort wastewater is owned by SDM. LNW is appointed to operate and maintain the scheme on their behalf. All the employees on the scheme are LNW's personnel. LNW has been appointed bulk service provider by the Sekhukhune District Municipality to operate and maintain this scheme.

11.9 STEELPOORT WASTEWATER SCHEME

11.9.1 Contractual obligation

Lepelle Northern Water has a 10 years' contract effective from the 1st of February 2020 with Sekhukhune District Municipality to operate and maintain their entire bulk water infrastructure on their behalf. Steelpoort wastewater is amongst the bulk scheme that LNW is operating in full.

11.9.2 Major Users

The major users are mainly from the town Steelpoort town.

11.9.3 Ability to meet demand.

The plant is operating above its operating capacity. There are however plans to relocate the plant to another place by SDM. It will be upgraded such that it becomes a regional wastewater treatment works.

11.9.4 Bulk infrastructure

The bulk infrastructure consists of the following:

- The plant has a capacity of 0.2 Ml/day.
- It consists of a grit channel, flow meter, aerobic activated plant, clarifier, contact tank, disinfection unit, ponds, and the drying beds.
- Thickened sludge is pumped to the drying beds for disposal after it has dried.

11.9.5 New infrastructure

It will not be upgraded as the plans are in place to relocate the plant to a central point where it will receive various effluents from various communities.

11.9.6 Condition of bulk infrastructure

Through proper planned preventative maintenance, done by highly qualified personnel, LNW keeps the water and wastewater infrastructure in a good condition.

11.9.7 Major refurbishment

Major refurbishment is required as the entire treatment facility is in a fairly state.

11.9.8 Operational arrangements

Steelpoort wastewater is owned by SDM. LNW has been appointed bulk service provider by the Sekhukhune District Municipality to operate and maintain this scheme. All of the employees on the scheme are LNW's personnel.

11.9.9 Bulk potable and wastewater treatment activities

LNW has long term bulk water services contract with the all the municipalities within which it is operating and Sekhukhune District Municipality where a 10-year contract was signed.

12 RETAIL WATER SERVICES PLAN

Currently LNW provides retail water services in the Water Services Authority namely, Sekhukhune District Municipality.

LNW owns Ebenezer, Doorndraai, Politsi and Phalaborwa schemes and operates and maintains Flag Boshielo, Olifantspoort, on behalf of DWS pending the transfer to the WSA's and Marble Hall water and wastewater and Burgersfort water and wastewater, Steelpoort water (boreholes and conventional plant) and wastewater, Penge Wastewater, Mooihoek, Steelbridge, Hlogotlou, Nkadimeng, Malekane, Kutullo Groblersdal and Ohrigstad schemes on behalf of Sekhukhune District Municipality.

In all villages connected to these water schemes, cost recovery is implemented on two levels of services i.e., high level of service (yard connections) and RDP standard.

There is currently retail contractual agreement for retail water services with the Sekhukhune District Municipality. LNW approached other Municipalities, both Local and District, regarding the WSP agreements. It must be noted that the retail water services function is not LNW's core business and currently in Sekhukhune District Municipality there is a technical committee established to work on the strengthening of the retail services. This function will be transferred to the Water Service Authority when they are ready to take over.

Sekhukhune District and Polokwane Local Municipalities have appointed Lepelle Northern Water to pilot prepaid water meters in Burgersfort and Mankweng Townships respectively. This will provide a platform for LNW to develop various reticulation models for various needs of the customers within its area of operation.

12.1 POTENTIAL FUTURE CLIENTS

There is potential to increase retail water services customers in future when the service level agreements are signed. Currently, LNW is involved in Sanitation through corporate social investment projects. Municipalities are implementing the Sanitation Programme.

12.2 OPERATIONS AND MAINTENANCE

Reticulation networks operation and maintenance is carried out by LNW where its Cost Recovery programme is implemented however in SDM as highlighted above this function is gradually taken over by the district. Trained community-based contractors are appointed to do repairs within their village's reticulation network if and when necessary. Work done by Community Based Contractors (CBC), is verified by LNW Projects personnel as part of skills transfer and social responsibility.

The ability of the Municipalities to take over the retail water services function, shall inform the future water services function and operational arrangements. They may take-over the retail water services function and still appoint LNW to be the service agent.

12.3 SCIENTIFIC SERVICES

12.3.1 Strategic objectives

The service offered by the Scientific Service Unit of Lepelle Northern Water is to give independent water quality reports on analyses of chemical, physical and bacteriological parameters associated with water samples (river, dam, borehole, potable and sewage) and design monitoring programmes suitable to the risks of the specific environment of water supply system. The laboratory will be adding testing of bacterial viruses within the scope of test performed at the laboratory,

Research and Development forms part core activities within the Scientific Service Unit where continuous research is conducted for water purification chemicals and technologies which aims to improve productivity, in terms of quality, quantity and cost.

12.3.2 Wastewater treatment

- Chemical analysis
- Bacteriological analysis
- Process problem solving and control.
- Process control advisory and recommendations

12.3.3 Potable water purification

- Chemical analysis
- Bacteriological analysis
- Process problem solving and control, process optimisation.
- Process control advisory, recommendations and reporting
- Training

12.3.4 Water quality management in network

- Chemical analysis
- Bacteriological analysis
- Water quality modelling
- Water quality monitoring (Sampling)

12.3.5 Environmental Service

- Toxicity Testing
- SASS 5: biomonitoring of source water
- Recommendations, reporting and discussions.
- Advisory (Waste disposal and pollution control)
- This subunit also monitors all schemes that they implement water use license conditions as per issued Water Use License (WUL).

12.3.6 Security and Loss Control

Over recent years LNW was confronted with more and more incidents where communities, adjacent to water treatment schemes, stopped water production due to grievances that had very little, if anything, to do with water supply related matters. Grievances such as the lack of schools, clinics and even roads were often cited as

reasons to force plant personnel to stop water production. More than often these protests lead to vandalism and even assault of employees.

- All of aforementioned led to the decision to register three (3) schemes as Critical infrastructure Sites as contemplated under the Critical Infrastructure Act , Act 8 of 2019. The schemes registered are:
 - Olifantspoort,
 - Ebenezer, and
 - Flag Boshielo.

Schemes, registered as Critical infrastructure Sites, are given priority by the South African Police Services whenever the safety of the plant, or its personnel is at risk. At these sites Security Services Providers, who are better qualified and equipped, are appointed. The sites also need to meet other requirements such as purposeful designed security rooms, fences, lighting, surveillance cameras to name a few. Due to the high-cost implications of these measures it won't be possible to meet all of the requirements immediately but a phased in approach will be used.

13 OTHER ACTIVITIES

13.1 SUPPORT TO MUNICIPALITIES

LNW can undertake any activity other than its primary activity on condition that the cost recovery incurred can be recovered from the client. This will not include costs incurred in exercising LNW's social responsibility.

13.2 DAM MANAGEMENT

LNW temporary manages the Ebenezer dam on behalf of DWS. Dam management and the control of the sources and surrounding areas are seen as critical for LNW's primary activity to deliver water and water services to its customers. LNW and DWS are in the process of finalizing the contractual agreement on the management of the Ebenezer Dam.

13.3 PROMOTION OF SAFE TAP WATER

LNW bottles water at Ebenezer plant directly from the pipeline using a mechanised system. The bottled water is used for promotional purposes at government and other functions. The bottled water serves to promote the LNW brand as well as promotion of safe tap water.

14 HUMAN RESOURCES PLAN

14.1 PERSONNEL STRENGTH

LNW currently employs 381 staff with varying skills ranging from administrative support services, technical support services to operations and maintenance skills. An HR Strategy has been approved by the Board and within it implementation a workforce plan shall be developed to determine current and future skills need to ensure that they are available as and when required. Scarce and Critical Skills framework, succession planning, reward and recognition programmes are amongst key strategic priorities to ensure that LNW creates a pipeline of a talent pool for skills inventory.

14.1.1 Employment equity plan

LNW was confirmed by the Department of Employment and Labour as having achieved its employment equity targets in terms of male and female ratio, black or white. There are challenges in attracting racial demographics that are underrepresented viz whites; Indians and Coloureds including Persons with Disabilities.

LNW has a three-year Employment Equity Plan which is currently under review.

Table 14-1: Employment Equity Plan

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	MALE	FEMALE	
Top Management	1	0	0	0	0	0	0	0	0	0	1
Senior Managers	1	0	0	0	2	0	0	0	0	0	3
Professionals/ Middle Management	16	0	0	4	15	0	0	0	0	0	35
Skilled/ qualified Technicians	88	1	2	11	91	1	1	2	0	0	197
Semi-Skilled	100	1	0	1	65	0	0	1	0	0	168

OCCUPATIONAL LEVELS	MALE				FEMALE				FOREIGN NATIONALS		TOTAL
	AFRICAN	COLOURED	INDIAN	WHITE	AFRICAN	COLOURED	INDIAN	WHITE	MALE	FEMALE	
Unskilled	15	0	0	0	19	0	0	0	0	0	34
Total Permanent	221	2	2	16	192	1	1	3	0	0	438

Table 14-2: Employment Equity plan in Percentage

Occupational Levels	Male (%)					Female (%)					TOTAL
	A	C	I	W	Total	A	C	I	W	Total	
Top Management	100%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
Senior Management	50%	0%	0%	0%	50%	50%	0%	0%	0%	50%	50%
Prof. qualified & experienced	50%	0%	0%	7.14%	57.14%	42.86%	0%	0%	0%	42.86%	50%
Skilled tech. & academically	53.61%	0%	0.60%	6.63%	60.84%	37.95%	0%	0%	1.20%	39.16%	53.61%
Semi-skilled and discretionary	64.75%	0%	0%	0.72%	65.47%	33.81%	0%	0%	0.72%	34.53%	64.75%
Unskilled and defined	88.89%	0%	0%	0%	88.89%	11.11%	0%	0%	0%	11.11%	88.89%
Total Permanent	58.50%	0%	0.28%	4.18%	62.95%	36.21%	0%	0%	0.84%	37.05%	58.50%

Table 14-3 Workforce Profile (Including People with Disabilities)

Occupational Levels	Male					Female					Total
	African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total	
Top Management	0	1	0	0	1	0	0	0	0	0	1
Senior Management	2	0	0	0	2	1	0	0	0	1	3
Prof. qualified & experienced	18	0	0	1	19	13	0	0	1	14	33
Skilled tech. & academically	81	0	1	10	92	78	0	0	2	80	172
Semi-skilled and discretionary	96	0	0	1	97	67	0	0	1	68	165
Unskilled and defined	7	0	0	0	7	0	0	0	0	0	7
TOTAL	204	1	1	12	218	159	0	0	4	163	381

14.1.2 Development of employment equity targets as specified by legislation.

The engagement of the Employment Equity/Skills Development Committee, constituted in terms of the Employment Equity Act and Skills Development Act as well as the participation of organised labour, at both the local and central forums for talent

acquisition processes, continues to play a critical role in the formulation of Employment Equity targets and the development of Workplace Skills Plans

Our Workplace Skills Plan (WSP) compliments our Employment Equity Plan (EEP) in that it aims to train and develop specific critical skills for targeted groups identified in the Employment Equity Planning process. The challenge faced by LNW is to improve female representation both at managerial and technical skills levels. Talent acquisition practices and talent development programmes continue to be biased towards targeted groups to address the past imbalances.

14.2 TALENT ACQUISITION (RECRUITMENT)

LNW's recruitment strategy is informed by the skills, experience and educational qualification(s) required per functional area, aligned to the corporate plan, coupled to our employment equity plan. The use of a pool of qualified human capital has impacted positively in the time taken to fill vacancies with a turnaround time of between one (1) to two (2) months. The fact that most of the vacancies are filled by internal candidates bears testimony to the effectiveness and efficient talent acquisition processes.

Talent acquisition processes are objective and transparent. However, the rule is that all job applicants should have the minimum job requirements and should be suitably qualified for the position as well as the relevant experience. The need for additional staff is based on the corporate plan and growth strategy.

14.2.1 Staff Turnover

The plan is to maintain a less than 2% staff turnover, because water and sanitation services are declared essential services. In general, LNW's staff turnover has remained well below the target of 2% over the years. The implementation of effective participative management structures, the use of Paterson Broad Banding job grading system, the effective implementation of the retention and affirmative action strategies has impacted positively in keeping the staff turnover at acceptable levels.

14.2.2 Establishment and Development of Collective Bargaining Relationships with Organized Labour

The relationship and engagement between management and organised labour is regulated by the Recognition Agreement and the Organisational Rights Agreement

(ORA) and LNW as an employer is an affiliate of the Amanzi Bargaining Council (ABC). LNW will continue to participate in collective bargaining processes at the Amanzi Bargaining Council on wage negotiations and conditions of employment on behalf of bargaining unit.

At plant level, the South African Municipal Workers Union (SAMWU) and the National Health and allied Workers Union (NEHAWU) are the only recognised trade unions, which are also members of the Amanzi Bargaining Council. Monthly Central Labour Forums meetings are held by management with the two recognised unions to discuss issues referred by the Amanzi Bargaining Council and also issues of mutual interest or transversal or collective in nature.

14.2.3 Performance Management and Development System

The need to implement a Performance Management and Development system by the water sector cannot be over-emphasised considering in light of the cost containment issues resulting from poor revenue collection. Employees need to work smarter, not harder, to ensure productivity is not affected by the operating environment and good performance is rewarded accordingly. The reward system provides for an annual incentive bonus awarded to high performers, subject to LNW achieving an organisational satisfactory performance and a subsequent approval and/or decision from the Board.

It should also be emphasised that LNW's performance management is linked to the balanced scorecard perspectives as indicated in figure 15.1 below:

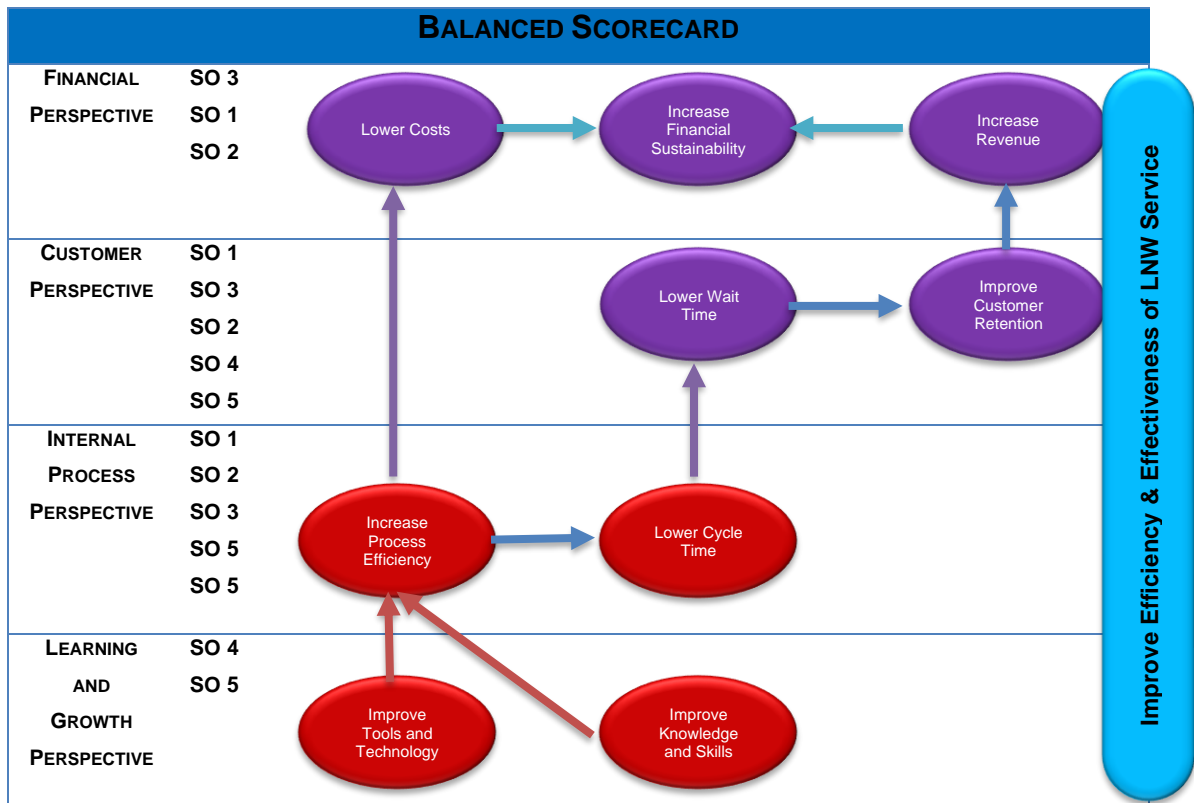


Figure 14-1: Linkage between Balance Score Card perspectives and Strategic Objectives

14.2.3.1 Employee Relations/Development and Participative Management Structures

LNW believes that effective communication between management and employees is key to ensuring that all and sundry is informed about the affairs of the business. The use of consultative structures at local and central fora, the implementation of participative management strategy is yielding an environment conducive to sound management/employee relations. Regular and scheduled meetings are held with employees at all levels to keep them informed of developments within the organisation and the water sector. All managers and supervisors have the skills necessary to improve employee performance and to resolve workplace conflict.

14.2.4 Human Resources Management and Development

Expenditure on Training and Development as a Percentage of Payroll

Each year LNW continues to invest between 3% and 5% of its total annual budget in the training and development of employees and non-employees alike, thereby ensuring the availability of the skills and experience required for the business. The skills acquired provide non-employees with a competitive edge in the labour market.

Human Capital Development by means of bursaries.

LNW considers the training and development of its human capital as a long-term investment and encourages employees to participate in personal development programmes. In order to motivate employees towards personal development, the organisation awards bursaries to employees, thereby creating a pool of scarce and critical skills for use as and when required.

Where the skill required is identified as mission critical for the business, LNW enrolls employees to acquire such skills at full cost to the company within acceptable terms and conditions. Training and development for such employees takes place in a structured fashion to ensure a return on investment (ROI).

Part of the organisation's strategy is to strengthen the partnership with various SETAs through obtaining discretionary grants for staff and community for their training and development programmes. It is planned that by the end of the financial year 2022/23 more LNW employees will have benefitted from the Bursary Scheme.

14.2.5 Training and Development Interventions

Learnerships Programmes

Employees and non-employees alike are given an opportunity to participate in the Learnerships Programme. More employees and non-employees on technical and non-technical disciplines will be enrolled for the financial year 2022/23, with particular emphasis on non-designated groups. The objective is to upskill our employees and to maximise employment opportunities for non-employees. It is planned that by the end of the financial year 2023/24 more than 260 employees and non-employees will have benefitted from the Learnerships Programme.

Graduate Internships Programmes

The capacitation of graduates remains LNW's prerogative on the annual training calendar. LNW will continue to enrol more graduates in the years ahead. This programme ensures that graduates are given practical work experience required for registration with their relevant professional bodies, leading to employability.

It is planned that by the end of the financial year 2023/24 more than 300 graduates will have benefitted from the Graduate Internships Programmes.

Apprenticeship

LNW continues to implement the Apprenticeship Programme for both employees and non-employees alike in order to ensure trade qualifications in areas of electrical, mechanical engineering and instrumentation. Through this training intervention LNW and the Water Services Authorities (WSAs) have benefitted from the pool of skill created by this programme.

It is planned that by the end of the financial year 2023/24 more than 600 permanent, contract jobs and temporary jobs, respectively, will be created, giving the beneficiaries of these programmes job opportunities. A higher percentage of these beneficiaries will be allocated to females, because talent acquisition statistics show that females are lacking on technical skills.

15 EMPLOYEE WELLNESS

The main objective of managing employee wellness is to nurture our employees by ensuring their ongoing wellness and to minimise human capital risk. To improve the level of staff wellness and for staff to remain committed to the organisation, LNW shall implement programmes and offer incentives that nurture staff, aid in the improvement of their overall wellness and motivate them to remain committed. Integrated employee wellness programmes shall be implemented to address the needs of all the pillars as depicted hereunder.



Figure 15-1: Six wellness pillars

Employee wellness has six pillars and various programmes shall be rolled-out and these programmes include, Wellness Day, Family Open Day, a financial wellbeing programme: staff sporting activities and tournaments, stress management, a weight loss challenge, team building, career days, lifestyle screening, motivational speaking, yoga and fun walks.

An employee assistance programme through leading employee wellness service providers and best practice are being considered as part of the programme to deal with, amongst others, emotional wellness which entails the psychological and mental health of LNW employees.

16 INFORMATION COMMUNICATION TECHNOLOGY (ICT)

16.1 BACKGROUND

Information and Communication Technology (ICT) plays an ever-increasing role in the corporate world as a strategic business enabler. This importance is emphasised by introduction of the Corporate Governance of ICT Policy Framework (CGICTPF) on the state of Information and Communications Technology in government and state entities.

The pervasiveness of ICT dictates that ICT and the business need to stay connected and share information, mandates not only the governance of ICT as a corporate imperative but the security of organisational networks and protection of organisation's information from harm and adverse conditions.

Apart from ensuring the effectiveness of organisational capabilities and internal processes in achieving strategic goals and objectives ICT also ensures business continuity in the case of a disaster and to prevent fraudulent business activities.

16.2 ICT Focus

The purpose of information and communication technology (ICT) is to enable the organisation to deliver its mandate. The ICT House of Value depicts the values and key focus areas of ICT service delivery. These values and key focus areas inform the acquisition, management and use of ICT.

The key focus areas of the ICT House of Values relate to the organisational business plan in that, in as much as the organisation has a strategic objective to ensure financial viability, it is also a mandate of the ICT to lower organisational costs while ensuring increased productivity.

In insuring that costs are lowered, there's a need for substantial investment into the current ICT infrastructure as per the House of Values. While investment is made, thorough attention needs to be directed to the foundation which is: planning, while ensuring integration of organisational strategic objectives to ensure streamlined ICT operations, which is the key foundation. See figure 16-1 below:

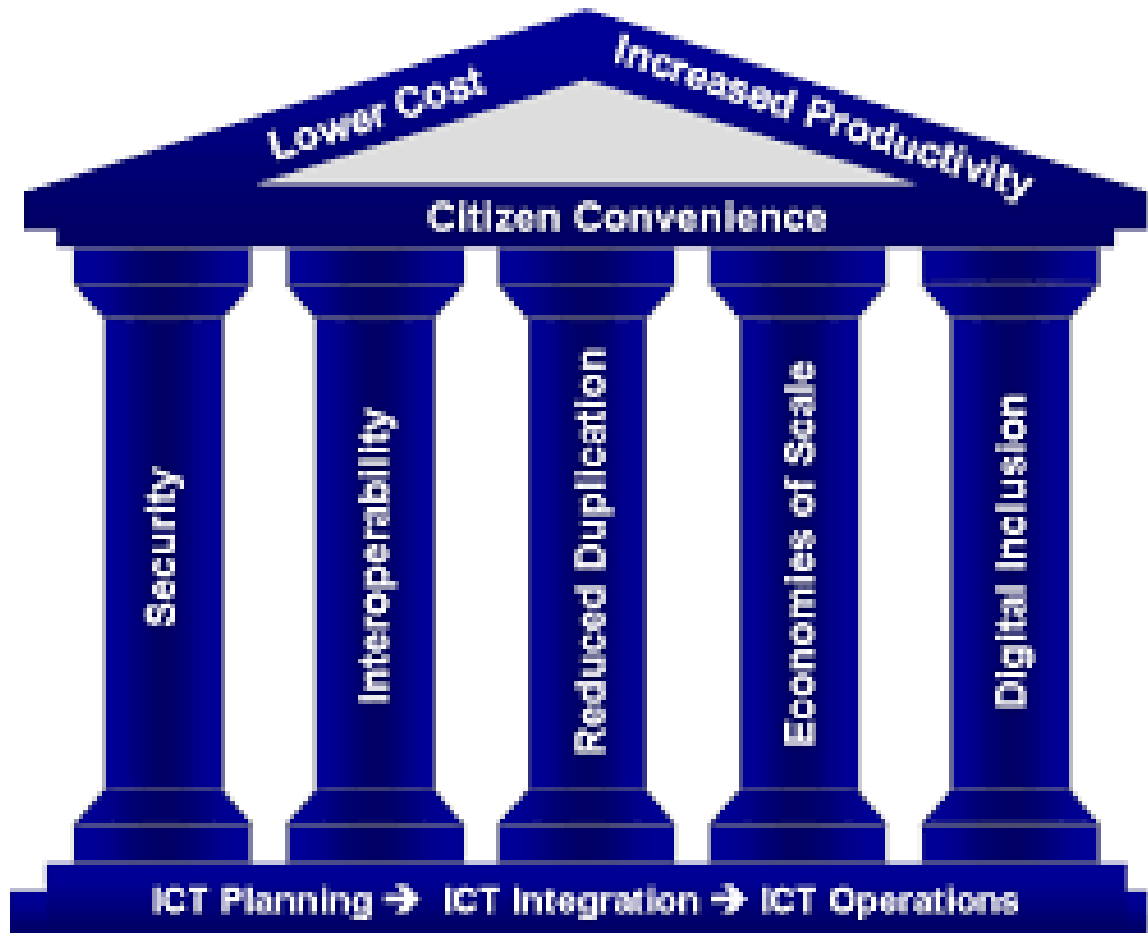


Figure 16-1: ICT House of Values

The foundation provides easy implementation of the pillars that are required to sustain the roof. These pillars require substantial investment especially into the ICT security, which ensures that the LNW's ICT systems and infrastructure are adequately secured, reliable and able to communicate with each other and share critical business data for better reporting and decision making by management and users without compromising information security. Interoperability (between the ICT systems), which reduces duplication of efforts by allowing the organisation to have a 360 view in terms of the information analysed through the data provided by the organisational information systems.

The implementation of the House of Values will ensure that the organisation will realise the “roof” which is lower cost in all organisational processes while realising increased productivity.

16.3 ICT AS AN INTEGRAL PART OF THE CORE BUSINESS

LNW Board has prioritised ICT as a major strategic priority for the organisation. ICT is no longer a support function but part of the core business of the organisation. Innovation and digitalisation of the operations of the organisation is a priority for the operations and maintenance of the infrastructure in real time. The Integrated ICT Master Plan and ICT Strategy were approved by the Board to ensure that the organisation embrace and move forward into the fourth industrial revolution (4IR). This entail the development and operationalisation of integrated systems and in relation to this, the upgrade of the SAP system was approved as the first step moving forward.

17 OCCUPATIONAL HEALTH AND SAFETY

The Occupational Health and Safety Act, Act 85 of 1993, requires the employer to provide and maintain as far as reasonable and practical a work environment that is safe and without risk to the health of employees.

LNW has incorporated health and safety activities and programmes for the effective management of identified hazards from normal operations and control of risks to foster Occupational Health and Safety protection and wellbeing of employees in terms of Occupational Health and safety, and compliance with Occupational Health and Safety Act, 85 of 1993 and its applicable regulations.

Occupational Health and Safety Policy

LNW has developed and implemented the Occupational Health and Safety management policy which has been integrated with the environmental management policy, to provides direction to all LNW activities, criteria to measure and evaluate efficiency to OHS programmes The policy is reviewed for approval on an annual basis.

OHS Management System

LNW is currently implementing ISO 45001: 2018 for the year 2023/24 with the aim to achieve certification 2024/25. Legal Compliance audits are conducted to assess the level

of compliance to legal requirements. Action plans are developed to ensure that raised findings are addressed.

Incident /accident Management

Analysis of incidents/accidents trends will be introduced and shared with the Executive Management. There have been serious occupational incidents reported to the department of labour. There are challenges experienced regarding the turnaround time on receiving claim numbers on reported incidents to payment of medical costs by COID.

OHS has conducted a benchmarking with other water boards, it was found that FEMA a mutual association within the water sector has been appointed by most water boards to manage COID processes instead of the Department of Labour. OHS is currently facilitating the transfer from the department to FEMA which provides its services free of charge.

18 ENVIRONMENTAL MANAGEMENT PROGRAMME

Lepelle Northern Water continuously assess its water schemes and determine the maximum water losses each scheme can reduce based on their water treatment designs as indicated in the table below:

Table 18-1: Reduction of Water Loses

SYSTEM	2022/23 TARGET %	2023/24 TARGET %	2024/25 TARGET %	2025/26 TARGET %	2026/27 TARGET %	2027/28 TARGET %
Phalaborwa (potable): plant	4.0	4.0	4.0	4.0	4.0	4.0
Phalaborwa (potable): distribution	4.0	4.0	4.0	4.0	4.0	4.0
Phalaborwa (industrial): plant	2.0	2.0	2.0	2.0	2.0	2.0
Phalaborwa (industrial): distribution	4.0	4.0	4.0	4.0	4.0	4.0
Ebenezer: plant	2.9	2.9	2.9	2.9	2.9	2.9
Ebenezer: distribution	3.7	3.7	3.7	3.7	3.7	3.7
Olifantspoort: plant	7.0	7.0	7.0	7.0	5.0	5.0
Olifantspoort: distribution	4.0	4.0	4.0	4.0	4.0	4.0
Politsi: plant	3.0	3.0	3.0	3.0	3.0	3.0
Politsi: distribution	4.0	4.0	4.0	4.0	4.0	4.0
ModjadjisKloof: plant	2.0	2.0	2.0	2.0	2.0	2.0
ModjadjisKloof: distribution	2.0	2.0	2.0	2.0	2.0	2.0
Doorndraai: plant	4.0	4.0	4.0	4.0	4.0	4.0
Doorndraai: distribution	4.0	4.0	4.0	4.0	4.0	4.0

SYSTEM	2022/23 TARGET %	2023/24 TARGET %	2024/25 TARGET %	2025/26 TARGET %	2026/27 TARGET %	2027/28 TARGET %
Flag Boshielo: plant	4.0	4.0	4.0	4.0	4.0	4.0
Flag Boshielo: distribution	5.0	5.0	5.0	5.0	5.0	5.0

Environmental Management Policy

LNW is ISO 14001 2015 certified since 2012 for twelve (12) schemes and the validity of the certificate is three (3) years and maintained annually to ensure environmental compliance of the organization. It has developed and implemented the Environmental Management policy, that has been integrated with the Health and Safety Policy, the Policy is reviewed for approval on an annual basis.

Climate change

Climate Change and extreme weather conditions present a challenge for the sustainability of water supply and water security. LNW as a supplier of bulk water services, climate change threatened is ability to provide sustainable supply of services and uninterrupted water. LNW has a climate change policy which is main purpose is to mitigate contribution to the emission of greenhouse gases by reducing the organization carbon footprint. LNW will also acclimatise measures of the impact of climate change by implementing programmes that investigate new and alternative approaches and process to ensure business continuity in the event of raw water scarce. Approaches and process of implementing measures adapting to climate change are saving of energy usage, replaces trees or plants removed on site, removal of alien plants, saving of papers and, compliance of water use status and compliance.

Source Protection and Sustainability

There is an inherent relationship between the protection of the source and sustainable supply. Water use activities as listed in the National Water Act are regulated by DWS. LNW has a permit for recreational use i.e., Phalaborwa. LNW has reviewed and established processes to authorise water use activities relating to the operation of LNW, such include the taking of water from water resources, storing water, discharge of water containing waste or such that has the potential to pollute the environment.

Most of the projects implemented by LNW entails some interaction with the surrounding environment, these might include river crossings, flora and fauna assessments, heritage

assessments and some temporary diversions and alterations to the environment which might require environmental authorisation prior project commencement. LNW is committed to ensuring compliance throughout these projects and obtain necessary authorisation from the competent authorities.

LNW are in partnership with DWS on the Working for Water to clear alien invasive around LNW's schemes. This will increase the level of the water table thereby improving water availability.

Environmental Impact Associated with Projects

All projects at LNW are pass through the planning stage whereby the need of EIA is established for the identified projects in the technical staring committee meeting prior the commencement of such projects. There are two categories of prescribed processes namely the scoping and Environmental impacts report process with basic assessment process. Basic assessment (small -scale projects, shorter projects and falls under listing 1 and 3 and Scoping and EIR (High scale, complex projects, significant impacts fall under listing). The competent authority is established to initiate communication regarding the project.

Environmental Awareness and Training

Wetlands both natural and constructed can purify water because of their ability to filter suspended solids, to degrade organic substances and to take up nutrients from the water. Wetlands also perform vital functions in the water cycle and are important for flood management, climate and promotion of ecological biodiversity therefore LNW has wetlands awareness together with young water professions in order to create awareness regarding the importance of wetland. General environmental awareness take place on a continuous basis. A training need analysis is used to identify training for the employees such as environmental champion trainings, waste management and emerging legislation.

Waste management

Lepelle Northern Water subscribes to the 'cradle to grave' concept with regards to waste management, and we therefore ensure that we are aware of the eventual disposal of all our waste streams and ensure that this is done in a legally compliant manner. A competent service provider is appointed to dispose hazardous waste while general waste is collected by the local municipality. Hazardous waste collected at LNW facilities are fluorescent tubes, biohazardous waste, e- waste and used oil while general wastes are

paper, plastics, cans etc. Below is the graph depicting the hazardous waste collected for the past three years.

Raw Water Quality Monitoring Plan

A raw water quality-monitoring plan is implemented within LNW referred to as biomonitoring and bioaccumulation in rivers or dams within the Environmental Unit. The seasonal monitoring programme makes provision for protection of sources by means of monitoring, sampling, collection of data, maintenance and reviewing. Monitoring takes place at abstraction and discharge points. The results of this monitoring plan are used by R&D to plan improvements required to mitigate changes in the raw water quality.

Toxins

No schemes presently have water containing toxins or unacceptable levels of harmful metals. However, toxicity testing is conducted annually at abstraction points and water bodies that receive effluent from Wastewater treatment works operated by LNW. Toxicity testing is applied by exposing biota under laboratory conditions to water sources in order to determine the potential risk of such water types to the biota of the receiving water bodies. Toxicity results indicate the potential risk posed within the streams or to the receiving streams in the event of release, seepage or overflow from potential sources of pollution. Consequently, four trophic levels of biota i.e., vertebrates (*Poecilia, reticulata*), invertebrates (*Daphnia magna*), bacteria (*Vibrio fischeri*) and primary producers (*Selenastrum, capricornutum*) are exposed to the source/stream water according to standard procedures under laboratory conditions and thereafter a risk/hazard category is determined by application of the latest Direct Estimation of Ecological Effect Potential (DEEEP) DWS recommended protocols and hazard classification.

Environmental Incident

In terms of the environmental incidents reported, a total of 30 environmental incidents were recorded during the period under review. 29 of these were of a minor and medium nature, which means these were locally contained incidents within the legal thresholds and were controlled through the LNW corrective action programs. There was only one reportable incident as per applicable environmental legislation, and 6 major incidents according to ISO 1400: 2015 standard.

Environmental Management Plan

The Environmental Management Plan has been developed and currently being implemented. Activities that LNW is currently involved in are depicted in the table below:

Table 18-2: Environmental aspects, objectives and targets

ACTIVITIES	OBJECTIVE	TARGET	ACTION	COMMENTS
Bio Monitoring	Monitor the raw water quality of all abstraction points and discharge points	Bi-Annually	Collect water samples and aquatic indicator to establish the status of the river or resource from which water is abstracted from.	LNW is implementing biomonitoring of rivers and other water resources, reports are available.
Fire	Compliance to legislative requirements	Annual review	Implement standards and procedures.	Standards continuously maintained
Floods	Review the emergency procedure for flooding	Annually	Establish communication channels with the Weather Services for regular updates and warnings. Liaise with DWS and Water Services Authority to alter plants to be flood proof.	A procedure is in place in case of a flooding event.

19 WATER CONSERVATION AND DEMAND MANAGEMENT PLANS

Conservation covers a wide variety of aspects, which is applicable to LNW. LNW currently covers aspects such as water conservation, soil conservation, indigenous vegetation conservation, as well as source conservation.

By joining the Olifants River Forum, a great portion of LNW sources were covered, which greatly consists of the conservation of the several aspects concerning the Olifants River catchments area. With a mission of promoting and co-coordinating the voluntary co-operation between stakeholders to improve, conserve and sustain the existence of the Olifants River to the benefit of human being and the Environment, LNW membership is important. LNW's involvement covers almost two-thirds of the river. The main objectives of the Forum include:

- Ensuring the inclusion of all stakeholders.
- Develop and co-ordinate actions and Management Plans.
- Create awareness of the importance of the river as a resource
- Facilitate consultation between affected parties.
- Consult Governing Bodies.
- Protect the source for sustainability.

The Olifants River Forum was established with the aim to protect and monitor the Olifants River from the upper catchments area at Secunda throughout to the Kruger National Park.

Members from all companies, industries, mines, communities, Governmental institutions such as Departments of Finance, Water and Sanitation and Parks Board are taking part in the monitoring and protection of the Olifants River catchments. The forum divided the catchments into the Highveld region, the Middleveld region, the Mountain region and the Kruger National Park region. LNW plans to partner with DWS in its Water Conservation programme.

Guiding Principles

Demand for water exceeds the available supply. The extent of the stress varies from plant to plant. Volume sales are important for the financial viability of a water board.

Conservation and demand management

The need for water conservation is national challenge. LNW will continue educate the consumers about water conservation. LNW will continue to actively participate in the conservation of wetlands in several areas of its jurisdiction.

20 MARKETING, BRANDING, COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

Due to ongoing infrastructural refurbishment and development, the Marketing and Communications component aims to intensify LNW's relations with its stakeholders so as to inform and update them on ongoing work as the quality of their livelihood is affected by water services delivery.

LNW will continue to liaise with the media as key stakeholders as they are considered a fundamental tool in stakeholder engagement due to the magnitude of its reach. The prevalence of water supply interruptions and related issues require that, the affected communities and parties be continuously engaged.

Creating and sustaining messaging via modern, forward-thinking and sustainable communication platforms on behalf of the organisation is one of the objectives that Marketing and Communications will continue to drive. These platforms are critical and vital for the organisation to achieve and maintain stakeholder relations and beneficial exchange of knowledge/information with both its internal and external stakeholders.

21 CORPORATE SOCIAL RESPONSIBILITY (CSR)

Aiming to impact positively on the communities within and around LNW's mandated area of supply, Corporate Social Investment responsibilities continue to remain significant to the organisation. Over and above implementation of its core mandate LNW annually sets aside funds to further invest in social upliftment programmes and initiatives to improve the lives of pre-identified worthy cause.

As bulk water service provider in a largely rural area with high poverty levels, the contributions made by the organisation in such an environment serve to complement the rest of government's work of delivering basic services. The implementation of CSR within respective areas will contribute positively to the corporate image and to the programme of government to bring change to deserving communities. LNW aims to contribute in charitable activities to improve the quality of life and community relations by donating to communities and charitable causes. Through its efforts, LNW envisages to leave a legacy in the community it serves.

22 FINANCIAL PLAN

The Board has taken a cautious approach when predicting its expenditures for the five-year plan and a conservative one when projecting its revenues. The board must according to the statutory reporting timelines approve the budget on the 30th of April every year in line with the WSA 107 of 1997 for submission to the DWS. The final budget after appraisal by the DWS be approved by the Board on or before the 31st of May every year according to PFMA. The key underlying financial planning hypotheses are discussed here.

Consumer Price Index (CPI)

Elevated and persistent inflation has prompted an aggressive monetary tightening of economies. The South African Government and the Reserve Bank have adopted an inflation targeting approach set at 3 to 6 per cent, focusing on medium term to long-term targets.

Amid the deteriorating growth prospects, a strengthened and effective water services value chain will remain critical to stimulate growth, support the most vulnerable and put the region on track towards sustainability.

Salary and Wage increases

A compiling the five-year corporate plan 6. 89 per cent average growth rate is expected on the total wage bill, aimed at compensating for the eroded households purchasing power.

Budget Process

Management follows the strategic targets set by the Board and budget for activities and costs. The Board used a zero-based budgeting with motivations for each line item.

23 PROJECTED FINANCIAL STATEMENTS

Table 23-1: Statement of comprehensive income

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
90 198	Water sold (kilolitres)	86 901	115 858	117 676	117 866	118 056	118 056	(3,66)	4,59
	- Raw water sales (kl)								
76 578	- Potable water sales (kl)	74 559	100 189	102 899	102 899	102 899	102 899	(2,64)	5,05
	- Waste water sales (kl)								
13 620	- Industrial water sales	12 342	15 669	14 777	14 967	15 157	15 157	(9,38)	1,80
-									
749 702	TOTAL REVENUE (Primary and secondary activities)	688 774	1 051 259	1 172 787	1 289 380	1 384 622	1 483 178	(8,13)	12,04
689 655	Revenue (Primary activity)	661 448	1 039 598	1 160 589	1 276 646	1 371 327	1 469 245		
	- Raw water sales								
614 244	- Potable water sales	581 205	935 867	1 050 989	1 152 277	1 237 193	1 326 392	(5,38)	13,69
	- Waste water sales								
75 411	- Industrial water sales	80 243	103 731	109 600	124 369	134 134	142 853	6,41	11,24
	- Wastewater management fee								
	Right of Use agreement water sales								
	-								
	-								
60 047	Revenue (Secondary activity)	27 326	11 661	12 198	12 734	13 295	13 933	(54,49)	(21,61)
	- Retail water operation								
	Wastewater management fee								
	- Management fee - consulting								
22 244	- Management fee - other	3 564	11 661	12 198	12 734	13 295	13 933	(83,98)	(7,50)
37 803	- Section 30 activities	23 762						(37,14)	(100,00)
	Project Cost Recoveries								
-									
63 615	TOTAL COST OF SALES	111 074	117 523	125 280	133 205	145 193	152 163	74,60	15,64

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
63 615	Cost of sales (raw water purchased)	111 074	117 523	125 280	133 205	145 193	152 163	74,60	15,64
63 615	- Raw water	111 074	117 523	125 280	133 205	145 193	152 163	74,60	15,64
	Water Research Levies								
	Cost of sales (secondary activities)								
	- Employee costs								
	- Chemicals and purification								
	- Energy								
	- Repairs and maintenance								
	- General and administration expenses								
	-Project / WIP costs								
	- Other direct operating activities								
686 087	GROSS INCOME	577 700	933 736	1 047 507	1 156 175	1 239 429	1 331 015	(15,80)	11,68
91,5	Gross profit %	83,9	88,8	89,3	89,7	89,5	89,7	(8,35)	(0,33)
90,8	- Gross profit % - primary activity	83,2	88,7	89,2	89,6	89,4	89,6	(8,34)	(0,21)
100,0	- Gross profit % - secondary activity	100,0	100,0	100,0	100,0	100,0	100,0		
	Government grants and other funding	175 634	808 634	352 000					
45 738	Other operating income	25 408	52 918	55 818	58 875	58 932	58 997	(44,45)	4,33
	- Commission income and insurance								
	- Game and grazing sales (net of expenses)								
1 121	- House and other rentals - all related income	1 089	1 190	1 245	1 300	1 357	1 422		4,04
	- Other income (scrap, telephone, refurbishment, lab)								
	- Project income								
	- Bad debts recovered								
	- Profit Loss) on sale of fixed assets								
	- Profit (loss) on disposal of investments								
	- Profit (loss) on sale of biological assets								
	- Profit Loss) on sale of intangible assets								

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	- Wastewater - Darville revenue amort								
44 617	- Sundry income	24 319	51 728	54 573	57 575	57 575	57 575	(45,49)	4,34
731 825	TOTAL OPERATING INCOME	778 742	1 795 288	1 455 325	1 215 050	1 298 361	1 390 012	6,41	11,28
636 365	TOTAL EXPENSES	737 948	983 467	1 043 483	1 117 922	1 185 694	1 258 562	15,96	12,04
373 978	- Variable costs (related to cost of sales)	485 485	564 339	611 968	648 152	685 304	715 161	29,82	11,41
82 211	- Employee costs	110 640	88 945	94 281	99 938	105 935	112 291	34,58	5,33
	- Director's emoluments (include in general)								
82 211	- Employee salaries - (including leave, annual bonus, 13th cheque)	110 640	88 945	94 281	99 938	105 935	112 291	34,58	5,33
	- Performance bonuses								
	- Company contributions - Medical contributions and expenses								
	- Company contribution - UIF and SDL								
	- Contributions to pension and provident funds								
	- OID contributions								
	- Changes in post-employment liabilities								
	- Change in water inventory								
	-								
9 292	- Chemicals	9 953	20 185	21 114	22 043	23 013	24 117	7,11	17,23
130 390	- Energy	198 464	246 070	277 420	292 983	308 365	318 858	52,21	16,07
42 838	- Repairs and maintenance - (cost of sales related)	51 221	73 407	76 906	83 828	91 163	95 540	19,57	14,30
5 507	- Property and buildings	1 572	3 998	4 165	4 540	4 740	4 968	(71,45)	(1,70)
	- Plant, machinery and equipment								
37 331	- Other - to be included in general expenses	49 649	69 409	72 741	79 288	86 423	90 572	33,00	15,92
	-								
109 247	- Depreciation	115 207	135 732	142 247	149 360	156 828	164 355	5,46	7,04
109 247	- Depreciation property, plant and equipment	115 207	135 732	142 247	149 360	156 828	164 355	5,46	7,04
	- Amortisation of intangible assets								
	- Impairments of property, plant and equipment								
	- impairments of intangible assets								
	- Impairment of trade receivables								
	- Other direct costs								

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	- Motor vehicle repairs and running expenses								
	- Other direct								
262 387	- General expenses	252 463	419 128	431 515	469 770	500 390	543 401	(3,78)	12,90
	- Advertising and promotions								
	- Amortisation - office intangibles	170	142	118	98	82	68		
	- Amortisation of biological assets								
4 207	- Audit fees	1 957	4 530	5 467	5 730	6 005	6 293	(53,48)	6,94
	- Bad debts								
	- Bursaries, donations and gifts								
28	- Cleaning - all administration areas	107	306	323	340	358	378	282,14	54,28
4 881	- Computer and IT consumables	7 660	21 900	15 400	16 139	17 011	17 929	56,94	24,22
35	- Conferences, seminars and workshops	912	953	999	1 047	1 097	1 150	2505,71	78,96
16 053	- Consultants and professional fees	8 577	32 692	22 800	23 894	25 041	26 243	(46,57)	8,54
	- Contractors								
21	- Courier and postage		390	456	477	500	524	(100,00)	70,97
	- Depreciation of office assets								
	- Directors - performance bonuses								
	- Director's emoluments								
169 872	- Employee costs - (related to administration)	143 236	196 811	208 619	221 137	234 405	248 469	(15,68)	6,54
	- Energy - related to administration areas								
	- Impairments of biological assets								
2 889	- Insurance	5 670	5 820	5 558	5 825	6 105	6 398	96,26	14,17
	- Lease costs								
5 409	- Legal and contract fees	18 028	17 159	10 450	10 952	11 477	12 028	233,30	14,25
	- Marketing - not advertising and promotions								
	- Motor vehicle expenses (not in direct costs)								
	- Operating leases - photocopiers etc								
40 674	- Other operating expenses	43 966	94 942	117 633	138 135	149 888	172 946	8,09	27,28
250	- Printing and stationery	150	696	734	769	806	844	(40,00)	22,49
278	- Protective clothing and uniforms	2 653	4 762	3 289	3 446	3 612	3 785	854,32	54,53
	- Rates and taxes								
354	- Relocation costs - all items	159	350	376	394	413	433	(55,08)	3,41
512	- Rent paid - equipment hire and other hiring costs	1 080	1 952	879	921	965	1 011	110,94	12,01

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	- Repairs and maintenance								
12 247	- Safety and security	16 647	29 464	31 055	32 732	34 500	36 363	35,93	19,89
	- Service contracts								
	- Software and other small assets expensed								
	- Staff welfare								
166	- Subscriptions, licences and membership fees	44	595	739	779	821	865	(73,49)	31,68
1 970	- Training and development	1 059	2 500	2 635	2 777	2 927	3 085	(46,24)	7,76
1 398	- Telephone and fax	197	1 604	2 819	2 955	3 097	3 245	(85,91)	15,07
1 143	- Travel and entertainment	191	1 560	1 166	1 222	1 281	1 342	(83,29)	2,72
	- Veterinary services, supplies and biological costs								
95 460	OPERATING PROFIT (LOSS) FOR YEAR	40 794	811 821	411 842	97 128	112 667	131 450	(57,27)	5,48
8 808	Finance income - (enter as positive)		35 107	11 264	10 080	10 524	11 029	(100,00)	3,82
8 808	- Trade receivables		35 107	11 264	10 080	10 524	11 029	(100,00)	3,82
	- Extended payment trade receivables - deemed interest								
	- Short term deposits - call accounts								
	- Held to maturity financial assets								
	- Available for sale investments								
	- Employee advances								
	- SARS								
	- Other								
	- 57 pipeline								
	Reversal of interest provision								
-10 769	Finance costs - (enter as negative)		-11 281	-11 800	-12 319	-12 861	-13 479	(100,00)	3,81
	- Long term borrowings								
	- Bank overdraft								
	- SARS								
	- Finance leases								
	- Borrowing costs capitalised (positive)								
-10 769	- Other		-11 281	-11 800	-12 319	-12 861	-13 479	(100,00)	3,81
	- Darvill revenue in advance								

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
93 499	PROFIT (LOSS) FOR YEAR	40 794	835 647	411 306	94 889	110 330	129 000	(56,37)	5,51
	Other comprehensive income								
	- Gain on revaluation of property, plant and equipment								
	- Gain on revaluation of intangible assets								
	- Transfers (to) from general reserves								
	- Gains / (losses) on retirement benefit plans								
	- Retirement benefit adjustment (IAS19)								
93 499	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	40 794	835 647	411 306	94 889	110 330	129 000	(56,37)	5,51

Table 23-2: Statement of financial position

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	ASSETS								
	Non-current assets								
2 602 727	Property, plant and equipment	2 634 360	3 315 728	3 566 649	3 540 139	3 506 161	3 464 656	1,22	4,88
2 641 168	Carrying value - opening balance	2 602 727	2 634 360	3 315 728	3 566 649	3 540 139	3 506 161	(1,46)	4,83
79 958	Additions - (will be carried to cashflow)	146 840	817 100	393 168	122 850	122 850	122 850	83,65	7,42
-116 839	Depreciation - (ex-income statement)	-115 207	-135 732	-142 247	-149 360	-156 828	-164 355	(1,40)	5,85
-288	Disposals - carrying value							(100,00)	(100,00)
-1 272	Impairments - (ex-income statement)							(100,00)	(100,00)
	Revaluations - (ex-income statement)								
	Interest capitalised								
1 019	Intangible assets	849	707	589	491	409	341	(16,68)	(16,68)
1 209	Carrying value - opening balance	1 019	849	707	589	491	409	(15,72)	(16,53)
	Additions - (will be carried to cashflow)								
-190	Amortisation - (ex-income statement)	-170	-142	-118	-98	-82	-68	(10,53)	(15,74)
	Disposals - carrying value								
	Impairments - (ex-income statement)								
	Revaluations - (ex-income statement)								
	Biological assets								
	Carrying value - opening balance								
	Additions - (will be carried to cashflow)								
	Amortisation - (ex-income statement)								
	Disposals - carrying value								
	Impairments - (ex-income statement)								
	Fair value adjustment								
	Investments in subsidiaries and associates								
	Opening balance								

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	Changes in year								
	Long-term receivables								
	Held to maturity								
	Receivables from exchange transactions								
	Loans receivable								
	Employee loans								
61 782	Other financial assets							(100,00)	(100,00)
61 782	General							(100,00)	(100,00)
2 665 528		2 635 209	3 316 435	3 567 238	3 540 630	3 506 570	3 464 997	(1,14)	4,47
	Assets held for sale - net								
	Dams								
	Farms								
	Reservoirs								
	Other								
	Current assets								
	Investments								
	Short term								
	Available for sale								
147 003	Inventories	154 941	165 477	173 089	256 708	268 003	279 796	5,40	11,32
	Piping								
	Electrical								
	Maintenance spares								
	Water								
147 003	Chemical stores	154 941	165 477	173 089	256 708	268 003	279 796	5,40	11,32
	Consumables								

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	Miscellaneous								
1 047 797	Trade receivables	1 121 006	1 319 947	1 395 284	1 372 071	1 527 930	1 548 623	6,99	6,73
989 282	Trade receivables - bulk and wastewater	1 059 332	1 255 312	1 327 677	1 301 489	1 454 242	1 471 693	7,08	6,84
58 515	Trade receivables - other activities	61 674	64 635	67 607	70 582	73 688	76 930	5,40	4,67
	less: provision for doubtful debts / impairments - balance b/f								
	Change in prov - doubtful/impairments - ex income statement								
	Sundry debtors								
	DWS Receivable								
	Accrued Income								
	Interest receivable								
	Loans and financial receivables								
	Employee loans								
	Other loans								
184 876	Cash and cash equivalents	211 477	178 473	193 365	140 631	150 937	157 579	14,39	(2,63)
184 876	Cash on hand	211 477	178 473	193 365	140 631	150 937	157 579	14,39	(2,63)
	Bank current account								
	Short term deposits								
1 379 676		1 487 424	1 663 897	1 761 738	1 769 410	1 946 870	1 985 998	7,81	6,26
4 045 204	TOTAL ASSETS	4 122 633	4 980 332	5 328 976	5 310 040	5 453 440	5 450 995	1,91	5,10
	EQUITY AND LIABILITIES								
	Capital and reserves								

ACTUAL 2021/22 R'000	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	Capital								
	Reserves								
	Opening balance								
	Transfers in (out)								
3 177 702	Accumulated profit (loss)	3 218 496	4 054 143	4 465 449	4 560 338	4 670 668	4 799 668	1,28	7,11
3 084 201	Opening balance	3 177 702	3 218 496	4 054 143	4 465 449	4 560 338	4 670 668	3,03	7,16
93 501	Comprehensive income (loss) for year - (ex-income statement)	40 794	835 647	411 306	94 889	110 330	129 000	(56,37)	5,51
	Other								
3 177 702		3 218 496	4 054 143	4 465 449	4 560 338	4 670 668	4 799 668	1,28	7,11
	Non-current liabilities								
	Long term debt	459	1 024	1 137	1 262	1 401	1 555		
	Bank loan - fixed rate								
	Bank loan - variable rate								
	Bonds - fixed rate								
	Bonds - variable rate								
	Loans - interest free								
	Settlement agreements								
	Income received in advance								
	Finance lease obligation	459	1 024	1 137	1 262	1 401	1 555		
	Other non-current liabilities								
97 671	Post retirement benefit obligations	102 945	107 886	112 849	117 814	122 988	128 410	5,40	4,67
87 430	Defined benefit and contribution plans - opening	97 671	97 671	97 671	97 671	97 671	97 671	11,71	1,86
10 241	Actuarial movement on defined benefit contribution							(100,00)	(100,00)
	- Healthcare benefits	5 274	10 215	15 178	20 143	25 317	30 739		
97 671		103 404	108 910	113 986	119 076	124 389	129 965	5,87	4,88
	Current liabilities								
	Current portion of long-term loans	480	915	1 024	1 137	1 187	1 239		
	Bank loan - fixed rate								
	Bank loan - variable rate								
	Bonds - fixed rate								

ACTUAL	ACCOUNT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	Bonds - variable rate								
	Loans - interest free								
	Settlement agreements								
	Income received in advance								
	Finance lease obligations	480	915	1 024	1 137	1 187	1 239		
	Interest payable								
717 920	Trade and other payables	743 421	756 803	686 218	564 450	589 286	449 234	3,55	(7,52)
717 920	Trade payables	743 421	756 803	686 218	564 450	589 286	449 234	3,55	(7,52)
	Trade payables - related parties								
	Statutory payables - employees tax / benefits funds								
	SARS - VAT								
	Amounts received in advance								
	Accrual - audit fees								
	Accruals - other								
	Other payables / loans								
53 919	Provisions	56 832	59 561	62 299	65 039	67 910	70 889	5,40	4,67
39 022	Leave pay	56 832	59 561	62 299	65 039	67 910	70 889	45,64	10,46
10 092	Bonuses							(100,00)	(100,00)
	Legal fees - costs and claims								
4 805	Other							(100,00)	(100,00)
	Bank overdraft								
	Current account 1								
	Current account 2								
	Current account 3								
771 839		800 733	817 279	749 541	630 626	658 383	521 362	3,74	(6,33)
4 047 212	Total equity and liabilities	4 122 633	4 980 332	5 328 976	5 310 040	5 453 440	5 450 995	1,86	5,09

Table 23-3: Statement of Cash flow

ACTUAL	ELEMENT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	OPERATING ACTIVITIES								
93 501	Net profit for period before changes	40 794	835 647	411 306	94 889	110 330	129 000	(56,37)	5,51
114 694	Adjustments for non-cash items, interest and other	115 377	112 048	142 901	151 697	159 247	166 873	0,60	6,45
118 301	- Depreciation and amortisation	115 377	135 874	142 365	149 458	156 910	164 423	(2,47)	5,64
	- Impairments of PPE, intangibles and biological assets								
(4 120)	- Retirement benefits provisions							(100,00)	(100,00)
(98)	- Profit (loss) on sale of fixed, intangible and biological assets							(100,00)	(100,00)
	- Interest received - (deduct from profit)		-35 107	-11 264	-10 080	-10 524	-11 029		
	- Interest paid - (add to profit)		11 281	11 800	12 319	12 861	13 479		
611	- Revaluations of assets							(100,00)	(100,00)
	- Impairment of trade receivables								
10 241	Adjustments for:								
	- Discontinued operations								
10 241	- other non-cashflow adjustments								
(81 328)	Working capital changes	-52 733	-193 366	-150 796	-179 434	-139 447	-169 559	(35,16)	13,03
(68 347)	- Inventories	-7 938	-10 536	-7 612	-83 619	-11 295	-11 793	(88,39)	(25,39)
(53 412)	- Trade debtors	-73 209	-198 941	-75 337	23 213	-155 859	-20 693	37,06	(14,62)
	- Sundry debtors								
47 817	- Trade and other payables	25 501	13 382	-70 585	-121 768	24 836	-140 052	(46,67)	#NUM!
(7 386)	- Provisions	2 913	2 729	2 738	2 740	2 871	2 979	(139,44)	#NUM!
137 108	Net cash generated from operating activities	103 438	754 329	403 411	67 152	130 130	126 314	(24,56)	(1,36)
(80 995)	INVESTING ACTIVITIES - NET CASH UTILISED	-146 840	-817 100	-393 168	-122 850	-122 850	-122 850	81,30	7,19
(79 958)	- Additions to property, plant and equipment	-146 840	-817 100	-393 168	-122 850	-122 850	-122 850	83,65	7,42
	- Additions to intangible assets								
	- Additions to biological assets								
157	- Proceeds on disposal of fixed and intangible assets							(100,00)	(100,00)
	- Proceeds on disposal of biological assets								

ACTUAL	ELEMENT	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	Growth %	
2021/22 R'000		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
2 619	- Investments in subsidiaries and associates							(100,00)	(100,00)
	- Interest receivable movement								
	- Movement in assets held for sale								
(3 813)	- Increase (decrease) in capital								
(146)	FINANCING ACTIVITIES - NET CASH UTILISED	67 995	29 767	4 649	2 964	3 026	3 178	(46671,92)	
	- Movement in long term borrowings	459	565	113	125	139	154		
	- Movement in investments								
	- Proceeds (repayment) short term borrowings	480	435	109	113	50	52		
	- Movement in loan receivables	61 782							
	- Interest received		35 107	11 264	10 080	10 524	11 029		
	- Interest paid		-11 281	-11 800	-12 319	-12 861	-13 479		
	- Movement in retirement benefit obligations	5 274	4 941	4 963	4 965	5 174	5 422		
(146)	- Adjustment for non-cash interest							(100,00)	(100,00)
	CASH AND CASH EQUIVALENTS								
55 967	- Net increase (decrease) in cash utilised for the year	24 593	-33 004	14 892	-52 734	10 306	6 642	(56,06)	(29,90)
88 000	- At beginning of year	184 876	211 477	178 473	193 365	140 631	150 937	110,09	9,41
143 967	- AT END OF YEAR	209 469	178 473	193 365	140 631	150 937	157 579	45,50	1,52

Table 23-4: Capital expenditure program

ACTUAL 2021/22 R'000	CAPEX CATEGORY	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	GROWTH %	
		2022/23 R'000	2023/24 R'000	2024/25 R'000	2025/26 R'000	2026/27 R'000	2027/28 R'000	2022/2023	2022/2028
	Immovable capex								
51 330	Augmentation and upgrade	52 640	141 100	337 700	112 650	112 650	112 650	2,55	14,00
	Expansion								
27 350	Rehabilitation	62 500						128,52	(100,00)
	Development projects								
78 680		115 140	141 100	337 700	112 650	112 650	112 650	46,34	6,16
	Movable capex								
13 367	Equipment and vehicles	24 500	27 000	4 968	200	200	200	83,29	(50,36)
	Information technology communication	4 900	10 000	22 500	1 000	11 150	11 150		
883	Laboratory and process services	2 300	6 000	28 000	9 000	9 000	9 000	160,48	47,25
14 250		31 700	43 000	55 468	10 200	20 350	20 350	122,46	6,12
	Summary								
78 680	Immovable capex	115 140	141 100	337 700	112 650	112 650	112 650	46,34	6,16
14 250	Movable capex	31 700	43 000	55 468	10 200	20 350	20 350	122,46	6,12
92 930		146 840	184 100	393 168	122 850	133 000	133 000	58,01	6,16
	% of total	13,2%	16,5%	35,3%	11,0%	12,0%	12,0%		
	Total forecast period - 2017 to 2022	1 112 958	29,7%	51,9%	46,4%	23,0%	23,9%		
	Reconciliation								
92 930	Capex above	146 840	184 100	393 168	122 850	133 000	133 000	58,01	6,16
-79 958	Capitalised fixed assets - per fixed assets entry	-146 840	-817 100	-393 168	-122 850	-122 850	-122 850	83,65	7,42
	Capitalised intangibles - per intangibles entry								
	Written off to expenses								
12 972	Difference		-633 000			10 150	10 150	(100,00)	(4,01)

Table 23-5: Financial Ratios

ACTUAL	CATEGORY	ESTIMATED ACTUAL	PROJECTED	PROJECTED	PROJECTED	PROJECTED	PROJECTED	GROWTH %	
2021/22		2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2022/2023	2022/2028
	Performance indicators								
0,092	- Cost of raw water / primary revenue	0,168	0,113	0,108	0,104	0,106	0,104	82,05	1,95
0,584	- Cost of sales / total revenue	0,866	0,649	0,629	0,606	0,600	0,585	48,39	0,03
0,350	- General expenses / total revenue	0,367	0,399	0,368	0,364	0,361	0,366	4,73	0,77
2794,774	- Employees costs / per megalitre	2921,439	2466,433	2574,017	2724,068	2882,869	3055,838	4,53	1,50
0,360	- Employee costs / total costs excl. finance costs	0,299	0,260	0,259	0,257	0,256	0,256	(16,97)	(5,55)
	- Operating profit (loss) per employee								
	- Total staff complement								
	- Management								
	- Other								
	Operating risks								
447,5	- Debtors days (trade debtors excl VAT/ revenue x 365 days)	521,1	402,0	380,9	340,7	353,3	334,3	16,45	(4,74)
2,4%	- Return on assets (EBIT / total assets excluding investments)	1,0%	16,3%	7,7%	1,8%	2,1%	2,4%	(58,07)	0,36
	Financial risks								
1,788	- Current ratio (current assets / current liabilities)	1,858	2,036	2,350	2,806	2,957	3,809	3,92	13,44
	- Gross debt / equity ratio (total debt liabilities / total equity)	0,000	0,000	0,000	0,001	0,001	0,001		
	- Debt / assets ratio (total debt / total assets)	0,000	0,000	0,000	0,000	0,000	0,001		
	Business credit risk								
8,864	- interest cover (EBIT / interest paid)		71,964	34,902	7,884	8,760	9,752	(100,00)	1,60
	Surplus ratios								
0,12	- Return on turnover (net profit / turnover)	0,06	0,79	0,35	0,07	0,08	0,09	(52,51)	(5,83)

24 SCHEMES FINANCIAL PERFORMANCE

EBENEZER SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	18 616	10 891	19 199	16 382	16 382	16 382	16 382
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	229	545	949	819	819	819	819
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	18 387	12 491	18 250	15 563	15 563	15 563	15 563
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R8,05	R8,73	R10,90	R11,82	R12,83	R13,67	R14,56
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,00%	8,4%	15,0%	8,4%	8,6%	6,5%	6,5%
Average - Raw Water tariff	-R 1,06	-R 1,89	-R 1,04	-R 1,10	-R 1,17	-R 1,24	-R 1,33
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 160 794	R 144 240	R 198 962	R 183 985	R 199 735	R 212 717	R 226 544
Water sale: Potable	R 160 794	R 144 240	R 198 962	R 183 985	R 199 735	R 212 717	R 226 544
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 47 677	-R 49 812	-R 51 855	-R 50 882	-R 54 039	-R 57 344	-R 61 223
Pumping and Purification	-R 727	-R 898	-R 1 858	-R 1 944	-R 2 029	-R 2 119	-R 2 220
Electricity	-R 10 302	-R 8 300	-R 12 259	-R 13 821	-R 14 596	-R 15 363	-R 16 692
Raw water	-R 19 677	-R 20 561	-R 21 571	-R 18 033	-R 19 165	-R 20 369	-R 21 713
Direct Labour	-R 12 669	-R 15 447	-R 11 752	-R 12 457	-R 13 204	-R 13 997	-R 14 836
Other production expenses: Repairs and maintenance	-R 501	-R 173	-R 500	-R 524	-R 571	-R 623	-R 652
Other production expenses: Depreciation	-R 3 801	-R 4 434	-R 3 915	-R 4 103	-R 4 472	-R 4 875	-R 5 109
Gross (Profit)/Loss	R 113 117	R 94 427	R 147 106	R 133 103	R 145 696	R 155 373	R 165 321
Other income	R 1 562	R 1 239	R 2 981	R 3 118	R 3 255	R 3 399	R 3 562
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 373	R 425	R 412	R 431	R 450	R 470	R 492
Sundry Income	R 1 189	R 814	R 2 569	R 2 687	R 2 805	R 2 929	R 3 069
Total Operating Expenses	-R 31 861	-R 28 769	-R 41 140	-R 42 489	-R 44 184	-R 45 995	-R 47 618
Repairs and Maintenance	-R 2 330	-R 1 168	-R 6 556	-R 6 871	-R 7 489	-R 8 163	-R 8 555
Salaries and Wages	-R 11 493	-R 10 025	-R 11 777	-R 12 483	-R 13 232	-R 14 026	-R 14 868
Admin and Overheads	-R 2 814	-R 2 460	-R 7 127	-R 7 455	-R 7 783	-R 8 126	-R 8 516
Depreciation and Amortisation	-R 15 224	-R 15 117	-R 15 679	-R 15 679	-R 15 679	-R 15 679	-R 15 679
Operating (Surplus)/Deficit	R 82 817	R 66 897	R 108 948	R 93 732	R 104 767	R 112 777	R 121 265
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 82 817	R 66 897	R 108 948	R 93 732	R 104 767	R 112 777	R 121 265

OLIFANTSPORT SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production data							
Water abstracted - Potable	22 771	23 685	23 725	23 725	23 725	23 725	23 725
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	2 953	1 184	1 186	1 186	1 186	1 186	1 186
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	19 818	22 501	22 539	22 539	22 539	22 539	22 539
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R8,05	R8,73	R10,90	R11,82	R12,83	R13,67	R14,56
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,5%	8,4%	15,0%	8,4%	8,6%	6,5%	6,5%
Average - Raw Water tariff	-R 0,57	-R 0,48	-R 0,43	-R 0,46	-R 0,49	-R 0,52	-R 0,55
Revenue from exchange transactions	R 170 928	R 162 758	R 245 717	R 266 453	R 289 262	R 308 064	R 328 089
Water sale: Potable	R 170 928	R 162 758	R 245 717	R 266 453	R 289 262	R 308 064	R 328 089
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 129 839	-R 139 776	-R 161 114	-R 178 438	-R 188 912	-R 199 477	-R 215 451
Pumping and Purification	-R 3 435	-R 2 811	-R 4 180	-R 4 372	-R 4 565	-R 4 766	-R 4 994
Electricity	-R 90 711	-R 105 236	-R 125 231	-R 141 186	-R 149 106	-R 156 934	-R 170 509
Raw water	-R 12 983	-R 11 315	-R 10 812	-R 10 872	-R 11 554	-R 12 280	-R 13 091
Direct Labour	-R 9 769	-R 10 262	-R 9 520	-R 10 091	-R 10 697	-R 11 339	-R 12 019
Other production expenses: Repairs and maintenance	-R 2 872	R 0	-R 1 000	-R 1 048	-R 1 142	-R 1 245	-R 1 305
Other production expenses: Depreciation	-R 10 069	-R 10 152	-R 10 371	-R 10 869	-R 11 847	-R 12 913	-R 13 533
Gross (Profit)/Loss	R 41 090	R 22 982	R 84 603	R 88 015	R 100 350	R 108 587	R 112 637
Other income	R 402	R 229	R 434	R 454	R 474	R 495	R 519
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 36	R 39	R 51	R 53	R 55	R 58	R 61
Sundry Income	R 366	R 190	R 384	R 401	R 419	R 438	R 459
Total Operating Expenses	-R 41 302	-R 60 918	-R 50 914	-R 52 119	-R 53 795	-R 55 594	-R 57 053
Repairs and Maintenance	-R 3 266	-R 20 810	-R 9 640	-R 10 103	-R 11 012	-R 12 003	-R 12 579
Salaries and Wages	-R 7 318	-R 6 577	-R 6 972	-R 7 390	-R 7 833	-R 8 303	-R 8 802
Admin and Overheads	-R 3 208	-R 6 568	-R 7 031	-R 7 354	-R 7 678	-R 8 016	-R 8 400
Depreciation and Amortisation	-R 27 510	-R 26 962	-R 27 272	-R 27 272	-R 27 272	-R 27 272	-R 27 272
Operating (Surplus)/Deficit	R 190	-R 37 707	R 34 124	R 36 351	R 47 030	R 53 489	R 56 104
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 190	-R 37 707	R 34 124	R 36 351	R 47 030	R 53 489	R 56 104

DOORNDRAAI SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	3 797	2 944	4 440	4 440	4 440	4 440	4 440
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	80	147	222	222	222	222	222
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	3 717	2 797	4 218	4 218	4 218	4 218	4 218
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R 7,91	R9,00	R11,59	R12,37	R12,37	R13,17	R14,03
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	0,0%	15,0%	6,7%	0,0%	6,5%	6,5%
Average - Raw Water tariff	-R 4,22	-R 5,65	-R 3,06	-R 3,25	-R 3,46	-R 3,67	-R 3,92
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 36 093	R 27 280	R 48 898	R 52 175	R 52 175	R 55 567	R 59 178
Water sale: Potable	R 36 093	R 27 280	R 48 898	R 52 175	R 52 175	R 55 567	R 59 178
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 36 212	-R 32 509	-R 36 615	-R 34 489	-R 25 604	-R 38 949	-R 41 510
Pumping and Purification	-R 481	-R 329	-R 1 263	-R 1 321	-R 1 379	-R 1 440	-R 1 509
Electricity	-R 9 732	-R 4 972	-R 5 881	-R 6 630	-R 7 002	-R 7 370	-R 8 007
Raw water	-R 16 032	-R 16 621	-R 18 021	-R 14 442	-R 4 291	-R 16 313	-R 17 390
Direct Labour	-R 6 704	-R 7 506	-R 7 957	-R 8 434	-R 8 940	-R 9 476	-R 10 045
Other production expenses: Repairs and maintenance	-R 206	R 0	-R 347	-R 363	-R 396	-R 431	-R 452
Other production expenses: Depreciation	-R 3 056	-R 3 081	-R 3 147	-R 3 298	-R 3 595	-R 3 919	-R 4 107
Gross (Profit)/Loss	-R 118	-R 5 229	R 12 283	R 17 686	R 26 571	R 16 617	R 17 669
Other income	R 571	R 415	R 913	R 955	R 997	R 1 040	R 1 090
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 108	R 100	R 127	R 133	R 139	R 145	R 152
Sundry Income	R 463	R 315	R 786	R 822	R 858	R 896	R 939
Total Operating Expenses	-R 13 840	-R 12 762	-R 19 053	-R 19 739	-R 20 684	-R 21 698	-R 22 528
Repairs and Maintenance	-R 3 646	-R 3 347	-R 5 383	-R 5 641	-R 6 149	-R 6 703	-R 7 024
Salaries and Wages	-R 3 455	-R 2 898	-R 3 072	-R 3 256	-R 3 452	-R 3 659	-R 3 878
Admin and Overheads	-R 1 443	-R 1 207	-R 5 272	-R 5 514	-R 5 757	-R 6 010	-R 6 299
Depreciation and Amortisation	-R 5 296	-R 5 310	-R 5 327	-R 5 327	-R 5 327	-R 5 327	-R 5 327
Operating (Surplus)/Deficit	-R 13 388	-R 17 576	-R 5 858	-R 1 098	R 6 884	-R 4 040	-R 3 769
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 13 388	-R 17 576	-R 5 858	-R 1 098	R 6 884	-R 4 040	-R 3 769

POLITSI SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data								
Water abstracted - Potable	2 425	2 242	2 017	2 176	2 176	2 176	2 176	2 176
Water abstracted - Industrial	0	0	0	0	0	0	0	0
Water loss (5%) - Potable	159	112	101	109	109	109	109	109
Water loss (5%) - Industrial	0	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	2 267	2 130	1 916	2 067	2 067	2 067	2 067	2 067
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0	0
Average Tariff - Potable	R8,12	R9,34	R10,74	R12,35	R14,21	R16,34	R17,40	R18,53
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	15,0%	15,0%	15,0%	15,0%	15,0%	6,5%	6,5%
Average - Raw Water tariff	-R 1,26	-R 2,47	-R 1,56	-R 1,66	-R 1,68	-R 1,71	-R 1,73	-R 1,76
Revenue from exchange transactions	R 21 243	R 22 826	R 20 586	R 25 541	R 29 369	R 33 769	R 35 964	R 38 301
Water sale: Potable	R 21 243	R 22 826	R 20 586	R 25 541	R 29 369	R 33 769	R 35 964	R 38 301
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 15 100	-R 17 437	-R 16 846	-R 17 454	-R 16 380	-R 17 175	-R 17 998	-R 19 027
Pumping and Purification	-R 458	-R 518	-R 491	-R 703	-R 735	-R 767	-R 801	-R 839
Electricity	-R 3 889	-R 3 468	-R 4 440	-R 4 127	-R 4 653	-R 4 914	-R 5 172	-R 5 619
Raw water	-R 3 058	-R 5 535	-R 3 142	-R 5 707	-R 3 664	-R 3 715	-R 3 767	-R 3 820
Direct Labour	-R 6 201	-R 6 184	-R 7 576	-R 5 300	-R 5 618	-R 5 955	-R 6 312	-R 6 691
Other production expenses: Repairs and maintenance	-R 264	-R 565	-R 360	-R 350	-R 367	-R 400	-R 436	-R 457
Other production expenses: Depreciation	-R 1 231	-R 1 167	-R 838	-R 1 268	-R 1 344	-R 1 424	-R 1 510	-R 1 601
Gross (Profit)/Loss	R 6 143	R 5 388	R 3 740	R 8 087	R 12 989	R 16 593	R 17 966	R 19 275
Other income	R 245	R 510	R 160	R 524	R 548	R 572	R 598	R 626
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 92	R 128	R 88	R 126	R 131	R 137	R 143	R 150
Sundry Income	R 153	R 381	R 72	R 399	R 417	R 435	R 455	R 476
Total Operating Expenses	-R 11 462	-R 11 215	-R 12 310	-R 13 907	-R 14 406	-R 15 070	-R 15 781	-R 16 383
Repairs and Maintenance	-R 2 167	-R 1 633	-R 1 994	-R 3 354	-R 3 515	-R 3 832	-R 4 176	-R 4 377
Salaries and Wages	-R 3 336	-R 2 762	-R 3 043	-R 2 927	-R 3 103	-R 3 289	-R 3 487	-R 3 696
Admin and Overheads	-R 1 739	-R 2 602	-R 2 941	-R 3 512	-R 3 674	-R 3 835	-R 4 004	-R 4 196
Depreciation and Amortisation	-R 4 220	-R 4 219	-R 4 332	-R 4 114	-R 4 114	-R 4 114	-R 4 114	-R 4 114
Operating (Surplus)/Deficit	-R 5 075	-R 5 317	-R 8 410	-R 5 297	-R 868	R 2 096	R 2 783	R 3 519
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 5 075	-R 5 317	-R 8 410	-R 5 297	-R 868	R 2 096	R 2 783	R 3 519

PHALABORWA SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	28 824	26 975	26 911	28 824	28 824	28 824	28 824
Water abstracted - Industrial	14 337	12 992	16 494	15 555	15 755	15 955	15 955
Water loss (5%) - Potable	2 018	1 349	1 346	1 441	1 441	1 441	1 441
Water loss (5%) - Industrial	717	650	825	778	788	798	798
Water sold (Mega litres) - Potable	24 736	25 626	25 566	27 382	27 382	27 382	27 382
Water sold (Mega litres) - Industrial	14 337	12 342	15 669	14 777	14 967	15 157	15 157
Tariff - Potable	R5,11	R5,88	R7,57	R8,48	R9,50	R10,12	R10,77
Tariff - Industrial	R4,57	R5,25	R6,62	R7,42	R8,31	R8,85	R9,42
% Increase	8%	15%	15%	12%	12%	6%	6%
Average - Raw Water tariff	-R 0,49	-R 0,72	-R 0,68	-R 0,72	-R 0,77	-R 0,81	-R 0,87
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 203 174	R 207 105	R 297 189	R 341 748	R 384 454	R 411 125	R 437 848
Water sale: Potable	R 127 764	R 126 862	R 193 457	R 232 148	R 260 085	R 276 991	R 294 995
Water sales: Industrial	R 75 411	R 80 243	R 103 731	R 109 600	R 124 369	R 134 134	R 142 853
Cost of sales	-R 104 348	-R 126 931	-R 130 741	-R 141 081	-R 149 485	-R 158 111	-R 169 957
Pumping and Purification	-R 1 922	-R 756	-R 2 632	-R 2 753	-R 2 874	-R 3 001	-R 3 145
Electricity	-R 43 839	-R 66 295	-R 66 000	-R 74 408	-R 78 583	-R 82 708	-R 89 863
Raw water	-R 21 080	-R 28 683	-R 31 937	-R 31 949	-R 34 108	-R 36 413	-R 38 816
Direct Labour	-R 19 202	-R 16 059	-R 12 507	-R 13 258	-R 14 053	-R 14 896	-R 15 790
Other production expenses: Repairs and maintenance	-R 2 582	-R 482	-R 1 000	-R 1 048	-R 1 142	-R 1 245	-R 1 305
Other production expenses: Depreciation	-R 15 722	-R 14 656	-R 16 665	-R 17 665	-R 18 725	-R 19 849	-R 21 040
Gross (Profit)/Loss	R 98 826	R 80 174	R 166 447	R 200 667	R 234 969	R 253 013	R 267 891
Other income	R 18 241	R 18 620	R 38 394	R 40 160	R 41 927	R 43 771	R 45 872
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 280	R 315	R 330	R 345	R 360	R 376	R 394
Sundry Income	R 17 961	R 18 305	R 38 064	R 39 814	R 41 566	R 43 395	R 45 478
Total Operating Expenses	-R 36 869	-R 52 855	-R 50 354	-R 52 169	-R 54 544	-R 57 087	-R 59 275
Repairs and Maintenance	-R 3 486	-R 6 147	-R 10 846	-R 11 367	-R 12 390	-R 13 505	-R 14 153
Salaries and Wages	-R 14 726	-R 15 269	-R 16 185	-R 17 156	-R 18 185	-R 19 276	-R 20 433
Admin and Overheads	-R 2 947	-R 15 944	-R 7 010	-R 7 332	-R 7 655	-R 7 992	-R 8 375
Depreciation and Amortisation	-R 15 709	-R 15 496	-R 16 314	-R 16 314	-R 16 314	-R 16 314	-R 16 314
Operating (Surplus)/Deficit	R 80 198	R 45 939	R 154 486	R 188 658	R 222 352	R 239 698	R 254 488
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 80 198	R 45 939	R 154 486	R 188 658	R 222 352	R 239 698	R 254 488

NANDONI SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	0	20 075	20 075	20 075	20 075	20 075
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	0	1 004	1 004	1 004	1 004	1 004
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	19 071	19 071	19 071	19 071	19 071
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Tariff - Potable	R 0	R 0	R7,40	R8,29	R9,28	R10,40	R11,64
Tariff - Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
% Increase	R 0	R 0	0%	12%	12%	12%	12%
Average - Raw Water tariff	R 0	R 0	R 0	-R2,40	-R2,50	-R2,70	R 0
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 0	R 0	R 141 127	R 158 063	R 177 030	R 198 274	R 222 066
Water sale: Potable	R 0	R 0	R 141 127	R 158 063	R 177 030	R 198 274	R 222 066
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	R 0	-R 20 250	-R 48 828	-R 81 328	-R 85 319	-R 91 350	-R 40 003
Pumping and Purification	R 0	-R 1 399	-R 1 996	-R 2 088	-R 2 180	-R 2 276	-R 2 385
Electricity	R 0	R 0	-R 21 462	-R 24 196	-R 25 554	-R 26 895	-R 29 222
Raw water	R 0	-R 18 851	-R 18 851	-R 48 180	-R 50 188	-R 54 203	R 0
Direct Labour	R 0	R 0	-R 2 604	-R 2 761	-R 2 926	-R 3 102	-R 3 288
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	-R 3 915	-R 4 103	-R 4 472	-R 4 875	-R 5 109
Gross (Profit)/Loss	R 0	-R 20 250	R 92 299	R 76 735	R 91 711	R 106 924	R 182 063
Other income	R 18 063	R 22 178	R 2	R 122 219	R 128 642	R 137 536	R 80 196
Section 30 Income	R 15 707	R 19 285	R 0	R 106 276	R 111 861	R 119 595	R 69 733
Administrative and Management fees	R 2 356	R 2 893	R 0	R 15 941	R 16 779	R 17 939	R 10 460
Rental Income	R 0	R 0	R 2	R 2	R 2	R 2	R 2
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 12 407	-R 17 002	-R 39 395	-R 24 948	-R 26 541	-R 28 245	-R 29 730
Repairs and Maintenance	-R 3 510	-R 8 558	-R 7 098	-R 7 438	-R 8 108	-R 8 837	-R 9 261
Salaries and Wages	-R 8 450	-R 7 830	-R 9 056	-R 9 599	-R 10 175	-R 10 785	-R 11 433
Admin and Overheads	-R 265	-R 447	-R 7 563	-R 7 911	-R 8 259	-R 8 622	-R 9 036
Depreciation and Amortisation	-R 182	-R 167	-R 15 679	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	R 5 656	-R 15 074	R 52 906	R 174 006	R 193 811	R 216 215	R 232 529
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 5 656	-R 15 074	R 52 906	R 174 006	R 193 811	R 216 215	R 232 529

FLAG BOSHIELO SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	3 763	3 763	5 840	5 840	5 840	5 840	5 840
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	425	188	292	292	292	292	292
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	3 338	3 575	5 548	5 548	5 548	5 548	5 548
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R8,75	R9,48	R11,83	R12,84	R13,93	R14,84	R15,80
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	8,3%	15%	8,6%	8,5%	6,5%	6,5%
Average - Raw Water tariff	-R 0,82	-R 0,58	-R 0,51	-R 0,52	-R 0,53	-R 0,53	-R 0,54
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 33 222	R 31 062	R 65 619	R 71 237	R 77 301	R 82 325	R 87 676
Water sale: Potable	R 33 222	R 31 062	R 65 619	R 71 237	R 77 301	R 82 325	R 87 676
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 30 601	-R 28 366	-R 29 399	-R 31 392	-R 33 265	-R 35 217	-R 34 265
Pumping and Purification	-R 1 181	-R 471	-R 1 431	-R 1 496	-R 1 562	-R 1 631	-R 1 709
Electricity	-R 9 037	-R 9 740	-R 10 565	-R 11 911	-R 12 579	-R 13 239	-R 14 385
Raw water	-R 3 095	-R 2 178	-R 3 223	-R 3 030	-R 3 072	-R 3 115	R 0
Direct Labour	-R 11 156	-R 10 218	-R 7 834	-R 8 305	-R 8 803	-R 9 331	-R 9 891
Other production expenses: Repairs and maintenance	-R 464	-R 351	-R 450	-R 472	-R 514	-R 560	-R 587
Other production expenses: Depreciation	-R 5 669	-R 5 409	-R 5 895	-R 6 178	-R 6 735	-R 7 341	-R 7 693
Gross (Profit)/Loss	R 2 622	R 2 696	R 36 221	R 39 845	R 44 036	R 47 108	R 53 412
Other income	-R 2 686	R 4 416	R 4 980	R 5 209	R 5 438	R 5 677	R 5 950
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 63	R 63	R 90	R 94	R 98	R 102	R 107
Sundry Income	R 2 624	R 4 353	R 4 890	R 5 115	R 5 340	R 5 575	R 5 843
Total Operating Expenses	-R 15 734	-R 24 292	-R 22 135	-R 22 975	-R 24 042	-R 25 181	-R 26 193
Repairs and Maintenance	-R 2 101	-R 2 117	-R 4 388	-R 4 599	-R 5 013	-R 5 464	-R 5 726
Salaries and Wages	-R 5 833	-R 6 288	-R 6 483	-R 6 872	-R 7 285	-R 7 722	-R 8 185
Admin and Overheads	-R 1 942	-R 10 100	-R 5 230	-R 5 470	-R 5 711	-R 5 962	-R 6 248
Depreciation and Amortisation	-R 5 858	-R 5 785	-R 6 034	-R 6 034	-R 6 034	-R 6 034	-R 6 034
Operating (Surplus)/Deficit	-R 15 799	-R 17 181	R 19 065	R 22 079	R 25 432	R 27 603	R 33 168
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 15 799	-R 17 181	R 19 065	R 22 079	R 25 432	R 27 603	R 33 168

HLOGOTLOU SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	685	685	730	730	730	730	730
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	34	34	37	37	37	37	37
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	650	650	694	694	694	694	694
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R8,75	R9,48	R11,83	R12,84	R13,93	R14,84	R15,80
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	8,3%	15%	8,6%	8,5%	6,5%	6,5%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 6 293	R 8 202	R 8 905	R 9 663	R 10 291	R 10 960
Water sale: Potable	R 0	R 6 293	R 8 202	R 8 905	R 9 663	R 10 291	R 10 960
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 290	-R 63	-R 514	-R 538	-R 561	-R 586	-R 614
Pumping and Purification	-R 243	-R 63	-R 514	-R 538	-R 561	-R 586	-R 614
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	-R 47	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	-R 290	R 6 230	R 7 688	R 8 367	R 9 101	R 9 705	R 10 345
Other income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 1 214	-R 146	-R 3 368	-R 3 479	-R 3 752	-R 4 049	-R 4 243
Repairs and Maintenance	-R 1 144	-R 146	-R 2 500	-R 2 620	-R 2 856	-R 3 113	-R 3 262
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 21	R 0	-R 821	-R 859	-R 897	-R 936	-R 981
Depreciation and Amortisation	-R 49	R 0	-R 47	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 1 504	R 6 084	R 4 320	R 4 888	R 5 349	R 5 656	R 6 102
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 1 504	R 6 084	R 4 320	R 4 888	R 5 349	R 5 656	R 6 102

MARBLE HALL SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	1 065	1 095	1 095	1 095	1 095	1 095	1 095
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	53	55	55	55	55	55	55
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	1 072	1 097	1 040	1 040	1 040	1 040	1 040
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R8,73	R10,10	R12,72	R14,25	R15,96	R17,00	R18,11
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	15,7%	12,5%	12,0%	12,0%	6,5%	6,5%
Average - Raw Water tariff	-R 0,67	-R 0,97	-R 0,71	-R 0,72	-R 0,73	-R 0,74	-R 0,75
Revenue from exchange transactions	R 10 896	R 12 205	R 13 236	R 14 827	R 16 606	R 17 686	R 18 835
Water sale: Potable	R 10 896	R 12 205	R 13 236	R 14 827	R 16 606	R 17 686	R 18 835
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 9 093	-R 12 784	-R 8 874	-R 9 046	-R 9 531	-R 10 070	-R 10 630
Pumping and Purification	-R 51	-R 758	-R 230	-R 241	-R 251	-R 262	-R 275
Electricity	-R 144	-R 38	R 0	R 0	R 0	R 0	R 0
Raw water	-R 714	-R 1 062	-R 1 100	-R 811	-R 800	-R 811	-R 823
Direct Labour	-R 8 148	-R 10 888	-R 7 334	-R 7 774	-R 8 240	-R 8 734	-R 9 258
Other production expenses: Repairs and maintenance	-R 8	R 0	-R 181	-R 189	-R 206	-R 225	-R 236
Other production expenses: Depreciation	-R 29	-R 38	-R 29	-R 31	-R 34	-R 37	-R 38
Gross (Profit)/Loss	R 1 803	-R 579	R 4 362	R 5 782	R 7 075	R 7 616	R 8 205
Other income	R 31	R 19	R 19	R 19	R 20	R 21	R 22
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 18	R 19	R 19	R 19	R 20	R 21	R 22
Sundry Income	R 14	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 6 953	-R 5 849	-R 12 213	-R 12 899	-R 13 680	-R 14 511	-R 15 332
Repairs and Maintenance	-R 712	-R 367	-R 1 273	-R 1 334	-R 1 454	-R 1 585	-R 1 661
Salaries and Wages	-R 5 138	-R 4 022	-R 9 737	-R 10 321	-R 10 941	-R 11 597	-R 12 293
Admin and Overheads	-R 694	-R 1 208	-R 901	-R 942	-R 983	-R 1 027	-R 1 076
Depreciation and Amortisation	-R 409	-R 251	-R 302	-R 302	-R 302	-R 302	-R 302
Operating (Surplus)/Deficit	-R 5 119	-R 6 409	-R 7 832	-R 7 098	-R 6 585	-R 6 873	-R 7 105
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 5 119	-R 6 409	-R 7 832	-R 7 098	-R 6 585	-R 6 873	-R 7 105

BURGERSFORT SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	7 369	1 986	2 564	5 685	5 685	5 685	5 685
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	368	99	157	284	284	284	284
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	6 990	1 887	2 407	5 400	5 400	5 400	5 400
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R7,59	R8,24	R10,60	R11,50	R12,47	R13,28	R14,15
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	8,6%	12,5%	8,5%	8,5%	6,5%	6,5%
Average - Raw Water tariff	R-	-R 0,20	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 53 304	R 21 066	R 25 511	R 62 110	R 67 361	R 71 739	R 76 402
Water sale: Potable	R 53 304	R 21 066	R 25 511	R 62 110	R 67 361	R 71 739	R 76 402
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 12 956	-R 15 446	-R 11 283	-R 11 941	-R 12 647	-R 13 394	-R 14 179
Pumping and Purification	-R 375	-R 586	-R 1 125	-R 1 177	-R 1 229	-R 1 283	-R 1 344
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	-R 401	R 0	R 0	R 0	R 0	R 0
Direct Labour	-R 12 386	-R 14 371	-R 9 908	-R 10 502	-R 11 132	-R 11 800	-R 12 508
Other production expenses: Repairs and maintenance	-R 118	R 0	-R 171	-R 179	-R 195	-R 212	-R 222
Other production expenses: Depreciation	-R 77	-R 88	-R 80	-R 83	-R 91	-R 99	-R 104
Gross (Profit)/Loss	R 40 347	R 5 620	R 14 228	R 50 169	R 54 714	R 58 345	R 62 223
Other income	R 145	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 145	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 9 901	-R 8 723	-R 12 469	-R 13 150	-R 13 976	-R 14 855	-R 15 673
Repairs and Maintenance	-R 2 786	-R 948	-R 2 538	-R 2 660	-R 2 900	-R 3 160	-R 3 312
Salaries and Wages	-R 5 915	-R 5 880	-R 7 323	-R 7 762	-R 8 228	-R 8 722	-R 9 245
Admin and Overheads	-R 974	-R 1 544	-R 2 608	-R 2 728	-R 2 848	-R 2 973	-R 3 116
Depreciation and Amortisation	-R 225	-R 351	R 0	R 0	R 0	R 0	R 0
Head Office Allocation	R 0	R 0					
Operating (Surplus)/Deficit	R 30 592	-R 3 103	R 1 759	R 37 019	R 40 738	R 43 489	R 46 550
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 30 592	-R 3 103	R 1 759	R 37 019	R 40 738	R 43 489	R 46 550

MOOIHOEK SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	1 879	1 879	1 205	1 664	1 664	1 664	1 664
Water abstracted - Industrial							
Water loss (5%) - Potable	94	94	60	83	83	83	83
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	1 785	1 785	1 144	1 581	1 581	1 581	1 581
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R7,59	R8,24	R10,01	R10,86	R11,78	R12,54	R13,36
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	8,6%	12,0%	8,5%	8,5%	6,5%	6,5%
Average - Raw Water tariff			-R 3,51	-R 3,56	-R 3,61	-R 3,66	-R 3,71
Revenue from exchange transactions	R 0	R 10 526	R 11 454	R 17 173	R 18 625	R 19 835	R 21 125
Water sale: Potable	R 0	R 10 526	R 11 454	R 17 173	R 18 625	R 19 835	R 21 125
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 5 179	-R 6 042	-R 7 059	-R 6 709	-R 6 827	-R 6 947	-R 7 074
Pumping and Purification	-R 23	-R 175	-R 757	-R 792	-R 827	-R 863	-R 904
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	-R 5 157	-R 5 867	-R 6 302	-R 5 917	-R 6 000	-R 6 084	-R 6 169
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	-R 5 179	R 4 484	R 4 395	R 10 464	R 11 798	R 12 888	R 14 051
Other income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 844	-R 1 278	-R 3 558	-R 3 668	-R 3 972	-R 4 302	-R 4 508
Repairs and Maintenance	-R 654	-R 735	-R 2 955	-R 3 097	-R 3 376	-R 3 679	-R 3 856
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 131	-R 483	-R 546	-R 571	-R 596	-R 622	-R 652
Depreciation and Amortisation	-R 59	-R 60	-R 57	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 6 023	R 3 206	R 837	R 6 796	R 7 826	R 8 586	R 9 543
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 6 023	R 3 206	R 837	R 6 796	R 7 826	R 8 586	R 9 543

NKADIMENG SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	687	687	730	730	730	730	730
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	34	34	37	37	37	37	37
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	653	653	694	694	694	694	694
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R7,59	R6,80	R8,50	R9,22	R10,00	R10,65	R11,34
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	-10,4%	15,0%	8,5%	8,5%	6,5%	6,5%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 4 188	R 5 895	R 6 396	R 6 937	R 7 387	R 7 868
Water sale: Potable	R 0	R 4 188	R 5 895	R 6 396	R 6 937	R 7 387	R 7 868
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	R 0	-R 21	-R 435	-R 455	-R 475	-R 496	-R 520
Pumping and Purification	R 0	-R 21	-R 435	-R 455	-R 475	-R 496	-R 520
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	R 0	R 4 167	R 5 460	R 5 941	R 6 462	R 6 891	R 7 348
Other income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 383	-R 335	-R 1 306	-R 1 311	-R 1 406	-R 1 508	-R 1 580
Repairs and Maintenance	-R 260	-R 280	-R 767	-R 804	-R 876	-R 955	-R 1 001
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 68	R 0	-R 485	-R 507	-R 530	-R 553	-R 579
Depreciation and Amortisation	-R 55	-R 56	-R 54	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 383	R 3 832	R 4 154	R 4 630	R 5 056	R 5 384	R 5 768
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 383	R 3 832	R 4 154	R 4 630	R 5 056	R 5 384	R 5 768

MALEKANE SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	705	705	730	730	730	730	730
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	35	35	37	37	37	37	37
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	670	670	694	694	694	694	694
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R7,59	R6,80	R8,50	R9,22	R10,00	R10,65	R11,34
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	-10,4%	15%	8,5%	8,5%	6,5%	6,5%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 4 840	R 5 895	R 6 396	R 6 937	R 7 387	R 7 868
Water sale: Potable	R 0	R 4 840	R 5 895	R 6 396	R 6 937	R 7 387	R 7 868
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 19	R 0	-R 207	-R 217	-R 226	-R 236	-R 247
Pumping and Purification	-R 19	R 0	-R 207	-R 217	-R 226	-R 236	-R 247
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	-R 19	R 4 840	R 5 688	R 6 179	R 6 711	R 7 151	R 7 620
Other income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 821	-R 518	-R 1 951	-R 2 044	-R 2 202	-R 2 374	-R 2 488
Repairs and Maintenance	-R 673	-R 504	-R 1 423	-R 1 491	-R 1 626	-R 1 772	-R 1 857
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 148	-R 14	-R 528	-R 552	-R 577	-R 602	-R 631
Depreciation and Amortisation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 840	R 4 322	R 3 737	R 4 136	R 4 508	R 4 778	R 5 133
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 840	R 4 322	R 3 737	R 4 136	R 4 508	R 4 778	R 5 133

PACKAGE PLANTS

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	0	208	208	208	208	208
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	0	10	10	10	10	10
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	198	198	198	198	198
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R-	R6,79	8,85	R9,60	R10,42	R11,30	R12,26
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	0,0%	6,5%	8,5%	8,5%	8,5%	8,5%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 0	R 1 753	R 1 902	R 2 064	R 2 239	R 2 429
Water sale: Potable	R 0	R 0	R 1 753	R 1 902	R 2 064	R 2 239	R 2 429
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 88	-R 24	-R 335	-R 350	-R 365	-R 381	-R 399
Pumping and Purification	-R 88	-R 24	-R 335	-R 350	-R 365	-R 381	-R 399
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	-R 88	-R 24	R 1 418	R 1 552	R 1 698	R 1 858	R 2 030
Other income	R 0	R 5 148	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 4 476	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 671	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 811	-R 704	-R 3 906	-R 4 088	-R 4 321	-R 4 570	-R 4 789
Repairs and Maintenance	-R 536	-R 418	-R 1 109	-R 1 162	-R 1 267	-R 1 381	-R 1 447
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 275	-R 256	-R 2 797	-R 2 926	-R 3 054	-R 3 189	-R 3 342
Depreciation and Amortisation	R 0	-R 29	R 0	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 899	R 4 420	-R 2 488	-R 2 536	-R 2 623	-R 2 712	-R 2 759
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 899	R 4 420	-R 2 488	-R 2 536	-R 2 623	-R 2 712	-R 2 759

STEELPOORT SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	467	730	730	730	730	730
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	23	37	37	37	37	37
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	445	694	694	694	694	694
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R6,26	R6,79	R8,85	R9,60	R10,42	R11,30	R12,26
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	8,0%	8,5%	6,5%	8,5%	8,5%	8,5%	8,5%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 7 059	R 6 137	R 6 659	R 7 225	R 7 839	R 8 506
Water sale: Potable	R 0	R 7 059	R 6 137	R 6 659	R 7 225	R 7 839	R 8 506
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 14 120	-R 15 863	-R 7 951	-R 8 425	-R 8 928	-R 9 459	-R 10 024
Pumping and Purification	-R 648	-R 899	-R 226	-R 236	-R 247	-R 258	-R 270
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	-R 13 399	-R 14 930	-R 7 691	-R 8 152	-R 8 641	-R 9 160	-R 9 710
Other production expenses: Repairs and maintenance	-R 39	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	-R 34	-R 34	-R 35	-R 36	-R 39	-R 42	-R 44
Gross (Profit)/Loss	-R 14 120	-R 8 803	-R 1 814	-R 1 766	-R 1 703	-R 1 620	-R 1 518
Other income	R 1	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 1	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 12 864	-R 10 824	-R 12 244	-R 12 403	-R 13 151	-R 13 947	-R 14 727
Repairs and Maintenance	-R 605	-R 529	-R 1 455	-R 1 525	-R 1 662	-R 1 812	-R 1 899
Salaries and Wages	-R 8 973	-R 7 351	-R 7 792	-R 8 259	-R 8 755	-R 9 280	-R 9 837
Admin and Overheads	-R 2 798	-R 2 470	-R 2 504	-R 2 619	-R 2 734	-R 2 855	-R 2 992
Depreciation and Amortisation	-R 489	-R 474	-R 494	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 26 983	-R 19 627	-R 14 058	-R 14 169	-R 14 854	-R 15 567	-R 16 246
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 26 983	-R 19 627	-R 14 058	-R 14 169	-R 14 854	-R 15 567	-R 16 246

BOREHOLES

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	416	485	485	485	485	485
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	21	24	24	24	24	24
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	396	461	461	461	461	461
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R-	R6,79	R8,85	R9,60	R10,42	R11,30	R12,26
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	0,0%	0,0%	6,5%	8,5%	8,5%	8,5%	8,5%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 0	R 4 081	R 4 428	R 4 805	R 5 213	R 5 656
Water sale: Potable	R 0	R 0	R 4 081	R 4 428	R 4 805	R 5 213	R 5 656
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	R 0	R 0	-R 54	-R 57	-R 59	-R 62	-R 65
Pumping and Purification	R 0	R 0	-R 54	-R 57	-R 59	-R 62	-R 65
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	R 0	R 0	R 4 027	R 4 372	R 4 746	R 5 151	R 5 592
Other income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Section 30 Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Administrative and Management fees	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 314	-R 92	-R 1 734	-R 1 809	-R 1 958	-R 2 120	-R 2 221
Repairs and Maintenance	-R 307	-R 84	-R 1 435	-R 1 504	-R 1 639	-R 1 787	-R 1 873
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	R 0	R 0	-R 292	-R 305	-R 319	-R 333	-R 349
Depreciation and Amortisation	-R 7	-R 8	-R 7	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	-R 314	-R 92	R 2 293	R 2 562	R 2 788	R 3 032	R 3 370
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	-R 314	-R 92	R 2 293	R 2 562	R 2 788	R 3 032	R 3 370

ORWRDP PUMPSTATION

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	0	0	0	0	0	0
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	0	0	0	0	0	0
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	0	0	0	0	0
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R-	R-	R-	R-	R-	R-	R-
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sale: Potable	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Pumping and Purification	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other income	R 8 969	R 12 415	R 6 677	R 6 991	R 7 455	R 7 954	R 8 335
Section 30 Income	R 7 799	R 10 796	R 5 806	R 6 079	R 6 483	R 6 916	R 7 248
Administrative and Management fees	R 1 170	R 1 619	R 871	R 912	R 972	R 1 037	R 1 087
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 875	-R 2 596	-R 5 806	-R 6 079	-R 6 483	-R 6 916	-R 7 248
Repairs and Maintenance	-R 821	-R 1 948	-R 2 825	-R 2 961	-R 3 227	-R 3 517	-R 3 686
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 54	-R 648	-R 2 981	-R 3 118	-R 3 256	-R 3 399	-R 3 562
Depreciation and Amortisation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	R 8 095	R 9 819	R 871	R 912	R 972	R 1 037	R 1 087
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 8 095	R 9 819	R 871	R 912	R 972	R 1 037	R 1 087

BURGERSFORT SEWAGE SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted – Potable	0	0	0	0	0	0	0
Water abstracted – Industrial	0	0	0	0	0	0	0
Water loss (5%) – Potable	0	0	0	0	0	0	0
Water loss (5%) – Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	0	0	0	0	0
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff – Potable	R-	R-	R-	R-	R-	R-	R-
Average Tariff – Industrial	R-	R-	R-	R-	R-	R	R-
% Increase	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average - Raw Water tariff	R-	R-	R-	R-	R	R-	R
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sale: Potable	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	R 0	-R 24	-R 485	-R 507	-R 530	-R 553	-R 579
Pumping and Purification	R 0	-R 24	-R 485	-R 507	-R 530	-R 553	-R 579
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0		R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	R 0	-R 24	-R 485	-R 507	-R 530	-R 553	-R 579
Other income	R 4 593	R 5 148	R 3 001	R 3 121	R 3 350	R 3 599	R 3 772
Section 30 Income	R 3 997	R 4 476	R 2 610	R 2 714	R 2 913	R 3 129	R 3 280
Administrative and Management fees	R 596	R 671	R 391	R 407	R 437	R 469	R 492
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 186	-R 704	-R 2 125	-R 2 206	-R 2 384	-R 2 576	-R 2 700
Repairs and Maintenance	-R 165	-R 418	-R 1 670	-R 1 750	-R 1 908	-R 2 079	-R 2 179
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 2	-R 256	-R 436	-R 456	-R 476	-R 497	-R 521
Depreciation and Amortisation	-R 19	-R 29	-R 19	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	R 4 407	R 4 420	R 391	R 407	R 437	R 469	R 492
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 4 407	R 4 420	R 391	R 407	R 437	R 469	R 492

GROBLERSDAL SEWAGE SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	0	0	0	0	0	0
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	0	0	0	0	0	0
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	0	0	0	0	0
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R-	R-	R-	R-	R-	R-	R-
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase							
Average - Raw Water tariff							
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sale: Potable	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 230	R 0	-R 230	-R 241	-R 251	-R 262	-R 275
Pumping and Purification	-R 230	R 0	-R 230	-R 241	-R 251	-R 262	-R 275
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	-R 230	R 0	-R 230	-R 241	-R 251	-R 262	-R 275
Other income	R 2 211	R 2 501	R 2 211	R 2 316	R 2 481	R 2 660	R 2 788
Section 30 Income	R 1 923	R 2 175	R 1 923	R 2 014	R 2 158	R 2 313	R 2 424
Administrative and Management fees	R 288	R 326	R 288	R 302	R 324	R 347	R 364
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 1 693	-R 143	-R 1 693	-R 1 773	-R 1 907	-R 2 051	-R 2 149
Repairs and Maintenance	-R 1 150	-R 96	-R 1 150	-R 1 205	-R 1 314	-R 1 432	-R 1 501
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 543	-R 48	-R 543	-R 568	-R 593	-R 619	-R 649
Depreciation and Amortisation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	R 288	R 2 358	R 288	R 302	R 324	R 347	R 364
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 288	R 2 358	R 288	R 302	R 324	R 347	R 364

MARBLE HALL SEWAGE SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	0	0	0	0	0	0
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	0	0	0	0	0	0
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	0	0	0	0	0
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R-	R-	R-	R-	R-	R-	R-
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sale: Potable	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	R 0	R 0	-R 225	-R 235	-R 246	-R 257	-R 269
Pumping and Purification	R 0	R 0	-R 225	-R 235	-R 246	-R 257	-R 269
Electricity	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	R 0	R 0	-R 225	-R 235	-R 246	-R 257	-R 269
Other income	R 2 823	R 4 809	R 2 519	R 2 637	R 2 819	R 3 015	R 3 160
Section 30 Income	R 2 452	R 4 181	R 2 190	R 2 293	R 2 451	R 2 622	R 2 748
Administrative and Management fees	R 371	R 627	R 329	R 344	R 368	R 393	R 412
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 438	-R 1 574	-R 1 965	-R 2 058	-R 2 206	-R 2 365	-R 2 479
Repairs and Maintenance	-R 431	-R 1 541	-R 1 190	-R 1 247	-R 1 359	-R 1 482	-R 1 553
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 7	-R 32	-R 775	-R 811	-R 846	-R 884	-R 926
Depreciation and Amortisation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	R 2 385	R 3 235	R 329	R 344	R 368	R 393	R 412
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 2 385	R 3 235	R 329	R 344	R 368	R 393	R 412

STEELPOORT SEWAGE SCHEME

Budgeted financial performance for the year ending June.

DESCRIPTION	AUDITED ACTUAL	PROJECTED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data							
Water abstracted - Potable	0	0	0	0	0	0	0
Water abstracted - Industrial	0	0	0	0	0	0	0
Water loss (5%) - Potable	0	0	0	0	0	0	0
Water loss (5%) - Industrial	0	0	0	0	0	0	0
Water sold (Mega litres) - Potable	0	0	0	0	0	0	0
Water sold (Mega litres) - Industrial	0	0	0	0	0	0	0
Average Tariff - Potable	R-	R-	R-	R-	R-	R-	R-
Average Tariff - Industrial	R-	R-	R-	R-	R-	R-	R-
% Increase	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%	0,0%
Average - Raw Water tariff	R-	R-	R-	R-	R-	R-	R-
Revenue from exchange transactions	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sale: Potable	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Water sales: Industrial	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Cost of sales	-R 60	-R 132	-R 664	-R 737	-R 777	-R 816	-R 881
Pumping and Purification	-R 60	-R 132	-R 138	-R 145	-R 151	-R 158	-R 165
Electricity	R 0	R 0	-R 525	-R 592	-R 626	-R 658	-R 715
Raw water	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Direct Labour	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Repairs and maintenance	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Other production expenses: Depreciation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Gross (Profit)/Loss	-R 60	-R 132	-R 664	-R 737	-R 777	-R 816	-R 881
Other income	R 4 638	R 4 538	R 3 246	R 3 448	R 3 678	R 3 924	R 4 141
Section 30 Income	R 4 033	R 3 946	R 2 823	R 2 998	R 3 199	R 3 412	R 3 601
Administrative and Management fees	R 605	R 592	R 423	R 450	R 480	R 512	R 540
Rental Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Sundry Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Total Operating Expenses	-R 650	-R 350	-R 2 159	-R 2 261	-R 2 422	-R 2 596	-R 2 720
Repairs and Maintenance	-R 427	-R 171	-R 1 280	-R 1 341	-R 1 462	-R 1 594	-R 1 670
Salaries and Wages	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Admin and Overheads	-R 223	-R 179	-R 879	-R 919	-R 960	-R 1 002	-R 1 050
Depreciation and Amortisation	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Operating (Surplus)/Deficit	R 3 928	R 4 055	R 423	R 450	R 480	R 512	R 540
Net finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance costs	R 0	R 0	R 0	R 0	R 0	R 0	R 0
Finance Income	R 0	R 0	R 0	R 0	R 0	R 0	R 0
(Surplus)/Deficit for the year	R 3 928	R 4 055	R 423	R 450	R 480	R 512	R 540

CONSOLIDATED FINANCIAL PERFORMANCE

Budgeted financial performance for the year ending June.

DESCRIPTION		AUDITED ACTUAL	ADJUSTED BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED	BUDGETED
		2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Production Data								
	Water abstracted - Potable	84 166	98 298	105 004	107 680	107 680	107 680	107 680
	Water abstracted - Industrial	14 337	16 767	16 494	15 555	15 755	15 955	15 955
	Water loss (5%) - Potable	4 677	4 915	4 815	4 781	4 781	4 781	4 781
	Water loss (5%) - Industrial	717	838	825	778	788	798	798
	Water sold (Mega litres) - Potable	76 578	93 522	100 189	102 899	102 899	102 899	102 899
	Water sold (Mega litres) - Industrial	13 620	15 929	15 669	14 777	14 967	15 157	15 157
		R'000	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from exchange transactions		R 689 655	R 888 574	R 1 039 599	R 1 160 589	R 1 276 645	R 1 371 327	R 1 469 245
	Water sale: Potable	R 614 244	R 794 913	R 935 867	R 1 050 989	R 1 152 277	R 1 237 193	R 1 326 392
	Water sales: Industrial	R 75 411	R 93 661	R 103 731	R 109 600	R 124 369	R 134 134	R 142 853
Cost of sales		-R 321 784	-R 442 174	-R 522 043	-R 569 757	-R 604 481	-R 643 676	-R 687 716
	Pumping and Purification	-R 9 293	-R 14 358	-R 20 185	-R 21 114	-R 22 043	-R 23 013	-R 24 117
	Electricity	-R 130 390	-R 183 963	-R 246 070	-R 277 420	-R 292 983	-R 308 365	-R 335 038
	Raw water	-R 63 615	-R 95 854	-R 117 523	-R 125 280	-R 133 205	-R 145 193	-R 152 163
	Direct Labour	-R 82 211	-R 118 203	-R 88 945	-R 94 281	-R 99 938	-R 105 935	-R 112 291
	Other production expenses: Repairs and maintenance	-R 5 507	-R 4 956	-R 3 998	-R 4 165	-R 4 540	-R 4 740	-R 4 968
	Other production expenses: Depreciation	-R 30 769	-R 24 840	-R 45 321	-R 47 496	-R 51 771	-R 56 430	-R 59 139
Gross (Profit)/Loss		R 367 870	R 446 400	R 517 556	R 590 832	R 672 165	R 727 651	R 781 530
Other income		R 105 788	R 245 941	R 873 213	R 420 016	R 71 609	R 72 227	R 72 930
	Section 30 Income	R 37 803	R 21 050	R 0	R 0	R 0	R 0	R 0
	Administrative and Management fees	R 22 245	R 30 722	R 11 661	R 12 198	R 12 734	R 13 295	R 13 933
	Rental Income	R 1 122	R 1 186	R 1 190	R 1 245	R 1 300	R 1 357	R 1 422
	Sundry Income	R 44 618	R 46 436	R 51 728	R 54 573	R 57 575	R 57 575	R 57 575
	Revenue -R BIG		R 146 547	R 808 634	R 352 000			
Total Operating Expenses		-R 378 198	-R 507 913	-R 578 948	-R 608 661	-R 646 646	-R 687 211	-R 723 010
	Repairs and Maintenance	-R 37 331	-R 50 857	-R 69 409	-R 72 741	-R 79 288	-R 86 423	-R 90 572
	Salaries and Wages	-R 169 872	-R 180 823	-R 196 811	-R 208 619	-R 221 137	-R 234 405	-R 248 469
	Admin and Overheads	-R 92 516	-R 178 774	-R 218 971	-R 229 044	-R 239 122	-R 249 643	-R 261 626
	Depreciation and Amortisation	-R 78 478	-R 97 458	-R 93 757	-R 98 257	-R 107 100	-R 116 739	-R 122 343
Operating (Surplus)/Deficit		R 95 460	R 184 427	R 811 821	R 402 187	R 97 128	R 112 667	R 131 450
Net finance costs		-R 1 961	-R 2 939	R 23 826	R 9 119	-R 2 239	-R 2 337	-R 2 450
	Finance costs	-R 10 769	-R 15 896	-R 11 281	-R 11 800	-R 12 319	-R 12 861	-R 13 479
	Finance Income	R 8 808	R 12 957	R 9 231	R 9 655	R 10 080	R 10 524	R 11 029
	Interest Income: Non-exchange			R 25 876	R 11 264			
Surplus (Deficit) for the year		R 93 499	R 181 488	R 835 647	R 411 306	R 94 889	R 110 330	R 129 000

25 CAPITAL PROJECT REQUIREMENTS FUNDING PLAN

25.1 BACKGROUND

LNW, as an organ of the State, has continued to fulfil and improve its given mandate namely, to provide bulk water services according to the contracted quantities and set quality requirements despite challenges presented by historical imbalances that exist between the supply of and the demand for water in the region, lack of payment by certain Water Services Authorities, inadequate raw water resources, and aging infrastructure.

The Board will continue to fund its requirements most cost-effective manner possible. The PFMA and Treasury regulations that governing the acquiring processes would be followed when requests for the recommendation of necessary external funds for projects are made.

25.2 TARIFF

The tariff strategy ensures cost reflectivity and reduces the external funding requirements. This strategy aims to assist in achieving financial benchmarks set. In determining the tariffs, consideration is made to ensure that funding of all system maintenance has been catered to. Capital projects internal from LNW funds are available sources.

25.2.1 Tariff Consultation

LNW has after the Board approved of the tariffs, developed the consultation programme for engaging the affected stakeholders. The Board solicited written comments from various stakeholders and industrial customers. Contracted water services authorities are Mopani, Sekhukhune, Capricorn District municipalities, Mogalakwena and Polokwane Local municipalities.

The other non-contractual stakeholders consulted are the African Local Government Association (SALGA) and National Treasury from which written comments were also received.

25.3 SURPLUS POLICY

25.3.1 Surplus Cash

Investment with financial institutions is limited to A +(ZA) banks. The Board recognises the importance of maximising its return on investment, while at the same time spreading the risk amongst various portfolios. The Board has decided to limit each investment in any institution to 30% of the total amount available for investment.

25.3.2 Capital Investment

Investment into business activities will be ring-fenced and only those projects, which are self-sustaining, will be considered. The Board will match the term of a loan with the asset's economic life while simultaneously matching the repayments to the revenue streams of the project.

25.3.3 Long-term Investment

Long-term investment in government stocks and zero coupons are made to provide for redemptions of loans at maturity. As far as practically possible investment in zero coupons is made at a fixed interest rate to mitigate the risk of insufficient capital growth.

25.4 BORROWING LIMIT REQUIREMENTS FOR THE FUNDING OF PROJECTS

Lepelle Northern Water borrowing limit required R1.979 billion.

R989 5 million by 2023/24

R400 million by 2024/25

R589 5million by 2025/26

Therefore R1,979 million will be raised from the private sector through the support of Infrastructure Fund.

The above borrowing limit is required to fund Polokwane Intervention projects which include the upgrade of Olifantspoort and Ebenezer Plants to alleviate the water crisis in the City. The above projections are meant for phase 1A of the projects which is estimated to cost an amount of R4.5 billion. The National Treasury has, through the support of the DWS allocated R1.4 billion of the BFI (Budget Facility for Infrastructure) towards the project as follows:

R422 million for 2022/23

R633 million for 2023/24

R352 million for 2024/25

The Department of Water and Sanitation is expected to also allocate an RBIG (Regional Bulk Infrastructure Grant) portion of R 1,2 billion is expected as follows:

R 1 billion for 2024/25

R200 million for 2025/26

26 AFFORDABILITY TEST

The capital expenditure program is a vital component of the 20-year corporate plan. The affordability thereof is tested, ensuring that key business performance ratios are optimised, namely: return on assets, gearing, current ratio and interest cover ratio. Additional factors that influence the performance of the ratios are the tariff, plant availability and the funding program. The corporate plan considers the regulated cash flow reserves required to maintain a sufficient operational reserve (should a major customer default) and builds the appropriate redemption reserve in order to redeem issued loans on the due date. The current plan aims to:

- Maintain a minimum return on assets of 1%.
- Maintain gearing levels within 30%.
- Achieve positive free cash flow, i.e. (wholly fund the renewal capex program internally).
- Maintain the current ratio (cash and cash equivalents plus cash investments/ current liabilities) at levels of 1 and above.
- Maintain the interest cover ratio at a minimum of 2%.
- Ensure that appropriate strategic, operational and redemption reserves are adequately provided for.
- Mitigate solutions for foreign currency exposures within the Capex programme.

27 BORROWING PROGRAMME

27.1 TERMS AND CONDITIONS ON WHICH MONEY IS BORROWED

The terms and conditions upon which funds are borrowed will be determined by the loan agreements, domestic medium term note programme or other agreements that may

stem from the approved funding sources. The determination of the funding would include but not limited to the following:

27.1.1 Conventional bank funding

Lepelle Norther Water can raise conventional commercial debt by either raising a loan or acquiring a debt facility. Included here are structured financing/loans which encompasses all private and public financial arrangements that can serve to fund on-balance sheet projects in an effort to lower the cost of capital and provide for benefits that can be structured and tailor made to match the project. Funding instruments available:

- Term loans and/or syndicated loans
- General banking facilities
- Bridging finance
- Finance/operational leases
- Asset backed finance.
- Other structured loans

28 BANK ACCOUNT

The organisation's banker is Nedbank in Polokwane and with the following Account No.:

Cheque Account – LNW - 119 460 6547

29 ANALYSIS OF RISK

LNW's risk management is guided by an Enterprise Risk Management Framework. The Framework represents the pre-eminent source of reference and guidance on risk management practices in the organisation. It aims to support the objectives of LNW by providing information and advice to enable the implementation and maintenance of effective systems to identify and mitigate the risks that threaten the attainment of service delivery and other objectives and optimise opportunities that enhance organisational performance. Categories of risk are analysed below:

29.1 LIQUIDITY RISK

LNW will maintain a level of liquidity to enable it to withstand significant default on payment of its debtors.

29.2 SOLVENCY RISK

The Service Level Agreements have catered for the threat of solvency (SLAs) entered with the WSAs for servicing their old debt while honouring the current obligation.

29.3 INTEREST RATE RISK

The majority of all long-term funding of assets will be on a fixed interest rate basis to protect Lepelle Northern Water from sudden and unforeseen interest rate increases.

29.4 INSURED RISK

The Board will follow a self-insurance policy to a manageable level of risk beyond which the risk will be insured with outside insurers.

29.5 GEARING RISK

LNW will follow a policy of smoothing its long-term loans through tariffs by allowing its gearing to increase during times of high capital expenditure and to contract during times of reduced expenditure but at all times ensuring that the level of gearing does not become excessive for a non-profit public entity. In this regard the criteria adopted by international credit rating agencies will be used as guidelines. Surpluses that are realised will be used to fund further capital investment.

29.6 INVESTMENT RISK

Insofar as they may be applicable LNW will comply with the requirements of the Department of Finance for National Business Enterprises requirements regarding to new capital investments.

29.7 SUPPLY RISK

The primary supply risk is that of raw water and energy scarcity resulting in water shortages and poor service delivery.

LNW has identified the following as mitigating measures for the supply risk:

- Implementation of Water conservation and demand management
- Drilling of boreholes and appropriate management thereof

- Rainwater harvesting
- Reuse and recycling of industrial waste and effluent water. Where possible, the use of alternative sources of energy is used to sustain the supply.

29.8 CREDIT RISK

LNW is exposed to credit risk in terms of the payment for services. The risk is mitigated through the implementation of the credit policy. The other major risk will occur in indigent areas where conventional meters are used. LNW will encourage Water Service Authorities in indigent areas to replace conventional meters with prepaid meters to mitigate this risk. Consumers such as businesses, schools, clinics and those that are economically active are ideal candidates for this type of metering because they don't necessarily qualify for free basic water. Interest at commercial rates will be charged on all outstanding amounts less two (2%) percent for municipalities and for other customers which are not municipalities interest will be at commercial rates.

29.9 OTHER RISK ACTIVITIES

Where LNW is involved in activities outside of its primary activity, these will be subject to financial viability as approved by its Board.

29.10 ENTERPRISE RISK MANAGEMENT

LNW complies with sections 38(1)(a)(i) and 51(1)(a)(i) of the PFMA which require the Accounting Officers/Authority to ensure that their institutions have and maintain effective, efficient and transparent systems of risk management. The organisation has appointment Risk Management Committee that sits quarterly, and which reports to Audit and Risk Committee. For 2023-2024 financial year, the following strategic risks as per the risk management implementation plan were identified:

Table 29-1: Detailed Risk Management Implementation Plan for 2022/23 (Key Strategic Risks)

REF	No	KEY RISKS/ THREATS	INHERENT RISK EXPOSURE INDEX	CURRENT CONTROL	CONTROL EFFECTIVENESS		RR	R	MITIGATION MEASURE	RISK OWNER	TIME FRAME
SR	1	Negative effects and Consequences of Climate Change	20	<ul style="list-style-type: none"> Climate change policy 	Satisfactory	0,40	13	M	<ul style="list-style-type: none"> Implementation of a climate change procedure manual 	GM: Operations and maintenance	Quarterly
SR	2	Non-availability/ Ageing infrastructure	25	<ul style="list-style-type: none"> Planned maintenance system in place. Asset replacement strategy Operating standards for each scheme 	Satisfactory	0,65	16	H	<ul style="list-style-type: none"> Capital replacement reserves. Implementation of the maintenance plan Consolidate a water master plan 	GM: Engineering Services/ CFO	Quarterly
SR	3	Unavailability of electrical power/energy to supply water.	25	<ul style="list-style-type: none"> Backup generators utilised where possible. Contracts with electricity supplier reviewed (for categorisation) Solar Panels, solar geysers and heat pumps installed. Investigations for Hydro power generation completed, and projects identified 	Satisfactory	0,65	16	H	<ul style="list-style-type: none"> Approval and monitoring of the maintenance plans and the time frame on a quarterly basis. Engage the minister to request Eskom not to load shed LNW 	RM: Capricorn & Technical Service Manager and Planning Manager	Quarterly
SR	4	Water demands that exceed available raw water allocation (Over abstraction)	20	<ul style="list-style-type: none"> New applications for additional water abstractions sent to DWS. Appointed a service provider for additional water abstraction applications for all LNW plants. Participation in the Catchment Management 	Satisfactory	0,65	13	M	<ul style="list-style-type: none"> Continuously engage the DWS on the allocation of water. Explore the utilisation of ground water where feasible. <p>(The risk is accepted)</p>	GM: Operations and maintenance	Quarterly

REF	No	KEY RISKS/ THREATS	INHERENT RISK EXPOSURE INDEX	CURRENT CONTROL	CONTROL EFFECTIVENESS		RR	R	MITIGATION MEASURE	RISK OWNER	TIME FRAME
				Agencies established in the province and water sector forums							
SR	5	Non-payment by the Water Service Authorities for Bulk Water Services	25	<ul style="list-style-type: none"> Credit control policies and procedures in place and implemented. Engagement with relevant stakeholders Implement the water restrictions 	Satisfactory	0,65	16	H	<ul style="list-style-type: none"> The risk is accepted, and current controls will be continuously implemented. 	CFO	Quarterly
SR	6	Cyberattacks	25	<ul style="list-style-type: none"> Logical access control in place, IT security policy approved. Monitor and review system vulnerabilities on the firewall, Information security awareness is conducted. VPN MS Office 365 Multi factor authentication Security with target threat protection End point protection 	Satisfactory	0.65	16	H	<ul style="list-style-type: none"> Implement behaviour monitoring tools. Procurement of security operating centre services (SOC) Continuous assessment 	IT Manager	Quarterly

29.11 ETHICS MANAGEMENT AND FRAUD PREVENTION

One of the current priorities of the LNW is to have an ethical culture as an enabler for continued service delivery is part of LNW's governance structure, a fraud management strategy is in place which includes a fraud prevention policy and the Code of Ethics, to convey the Accounting Authority's expectations regarding managing fraud risks.

A Hotline number through which employees and other stakeholders can report corrupt activities has been maintained and is independently managed by an external service provider. Our Tip-Off Anonymous/Ethics Hotline number is 0800 204 857.

The fraud management processes will be monitored through implementation of the organisational Ethics Management Programme

30 MATERIALITY AND SIGNIFICANT FRAMEWORK

The Framework below is in terms of Treasury Regulations, section 28.3.1, which states the purpose of determining materiality i.e., section 55(2) of the PFMA and significance i.e., section 54(2) of the PFMA.

Table 30-1: Materiality and significant Framework

PFMA Reference	Details		Level – R - Value
Section 55 (2)	Disclosure of material losses in the Annual Report and financial statements	Losses due to criminal conduct	All items of this nature are regarded as material irrespective of the quantum.
		Losses due to irregular expenditure and fruitless and wasteful expenditure.	All items of this nature are regarded as material irrespective of the quantum.
Section 54 (2) (a) (b) (c) (d) (e) and (f)	Approval of the Executive Authority on participation in certain transactions such as: (a) Establishment or participation in the establishment of a company. (b) Participation in a significant partnership, trust, unincorporated joint venture or similar arrangement. (c) Acquisition or disposal of a significant shareholding in a company. (d) Acquisition or disposal of a significant asset.		All approvals are in line with the approved delegation of authority by the Board and the materiality framework and significance framework.

PFMA Reference	Details	Level – R - Value
	(e) Commencement or cession of a significant business activity; and; (f) A significant change in the nature or extent of the interest in a significant partnership, trust, unincorporated joint venture or similar arrangement.	

The Accounting Authority reviews the Framework annually to ensure that any high-risk transactions are managed to an acceptable level.

31 INTERNAL AUDIT

31.1 INTERNAL AUDIT FUNCTION

In terms of section 51(1)(ii) of the PFMA, Lepelle Northern Water has and maintains a system of internal audit under the direction and control of Risk & Audit Committee complying with and operating in accordance with the regulations and instructions prescribed in terms of section 76 and 77.

Internal Audit Unit of Lepelle Northern Water provides an independent, objective assurance and consulting services that adds value and improves an organisation's operations. Internal Audit helps LNW to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The PFMA and King report IV require Internal Audit to provide the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective.

The Audit Committee is responsible for ensuring that the Internal Audit Unit is independent and has the necessary resources, standing and authority within the organisation to enable it to discharge its duties. Furthermore, the Audit Committee oversees cooperation between internal and external auditors and serves as a link between the Board and these functions.

Internal Audit also contributes to improvements in governance, risk management and controls processes through the advisory role during the policies and procedures reviews and during other organisational meetings.

Internal Audit develops a flexible Internal Audit Plan using an appropriate risk-based methodology, including any risks or control concerns identified by management, and submits that plan to the Risk and Audit Committee for review and approval. Any deviation from the formally approved Internal Audit Plan shall be approved by the Risk and Audit Committee. The plan will include the following:

- Internal Audit Three-year Rolling Plan
- Internal Audit Annual Plan
- Staffing Plan
- Annual Budget

Internal Audit implements the Annual Audit Plan, as approved, including as appropriate any special tasks or projects requested by management and the Risk and Audit Committee, and should also report on the implementation of this plan to Risk and Audit Committee.

Internal Audit reports administratively to the Chief Executive and functionally to Risk and Audit Committee of the Board. The chairperson of the Risk and Audit Committee is kept informed of all the line function developments in LNW Internal Audit unit. All is done to ensure that the independence and integrity of Internal Audit is maintained.

31.2 EFFECTIVENESS OF INTERNAL CONTROLS

During the previous financial period there has not been material breakdown in the risk management and control environment in general. However, in the various internal audit and investigation reports, several areas were highlighted that required immediate control improvements. Management undertook to implement the audit recommendations and action plans to mitigate against the control weaknesses identified and thus improving the effectiveness of risk management.

The organisation closed off the year with a total of 271 Internal Audit findings and 42% (114) of these findings were still in the process of being addressed by management. There were 31 Unresolved findings and three repeat findings in the previous financial year.

The Executive Support Committee has been established to assist, amongst others, with addressing of all the internal audit findings.

Without assuming management responsibility, the Internal Audit Unit is also contributing to improvements in governance, risk management and controls processes by playing the advisory role within the following management committees:

- Executive Committee.
- Risk Management Committee.
- Ethics Committee.

31.3 COMBINED ASSURANCE

Combined Assurance is defined as the coordinated approach that incorporates and optimizes all Assurance Services and Functions so that taken as a whole, these enable an effective control environment; support the integrity of information used for internal decision-making by management, the governing body and its committees; and support the integrity of the organisation's external reports. The coordinated approach that ensures that all of LNW's assurance activities provided by management, internal assurance providers and external assurance providers adequately address significant risks facing LNW and that suitable controls exist to mitigate these risks.

The Combined Assurance Model was developed and recently approved by the Board. During its development, the Combined Assurance Model was consulted with Management and the Executive Committee and then presented to Audit & Risk Committee for its recommendation to the Board for approval.

Combined Assurance Plan was developed and recently approved by the Board. The plan was consulted with Executive Committee and then presented to Audit and Risk Committee for its recommendation to the Board for approval.

31.4 EXTERNAL INVESTIGATIONS

Table 31-1: Investigations being conducted by External Institutions

#	INSTITUTION CONDUCTING THE INVESTIGATION	ALLEGATION / SUMMARY OF ALLEGATION	STATUS OF THE INVESTIGATION
1	Special Investigating Unit (SIU)	Moutse Intervention Project: Procurement of tanks and delays in completing the project.	Completed
2	Special Investigating Unit (SIU)	Tzaneen Raising Dam: Procurement and Value for Money	In Progress
3	Special Investigating Unit (SIU)	Giyani Intervention (2 nd Phase): Value for Money	In Progress

#	INSTITUTION CONDUCTING THE INVESTIGATION	ALLEGATION / SUMMARY OF ALLEGATION	STATUS OF THE INVESTIGATION
4	The Hawks	Falaz - Waste Management: fraudulent appointment	Completed. Matter in courts.
5	The Hawks	Allegations related to LTE- The then Chairperson of the Board.	In Progress
6	The Hawks and SIU	EWS sand water extraction: procurement	Completed
7	Public Protector	LNW irregularly awarded the contract for the provision of water and sanitation services in Mopani: Giyani project to LTE without following the legal prescripts	Completed
8	Public Protector	Irregular shortlisting and appointment of a candidate, for the Advertised post.	Completed
9	The Hawks	Phambane's Contracts relating to the Debt Collection and Forensic Investigation.	In Progress

32 RESOURCE ALLOCATION

Provision for priority projects is made in the 2023/24 financial year as part of the Corporate Plan.

33 DECLARATION BY THE BOARD

Subject to the exceptions listed below, the board members of LNW hereby confirm that:


- the water board has taken all reasonable steps to comply with all legislation that it is subject to including, but not limited to:
 - The Income Tax Act
 - The Occupational Health and Safety Act
 - The Compensation for Occupational Injuries and Diseases Act
 - The Labour Relations Act
 - The Basic Conditions of Employment Act
 - The Skills Development Act
 - The Employment Equity Act and Policy
 - The Skills Development Levies Act
 - The Unemployment Insurance Act
 - The Unemployment Insurance Contributions Act
 - The Preferential Procurement Framework Act

- The Promotion of Access to Information Act
 - The Environment Conservation Act
 - The National Water Act
 - Water use authorizations (abstraction, storage and discharge rights)
 - The Public Finance Management Act
 - The Municipal Systems Act, in as far as it is applicable to water boards, and
 - Water Services Act
 - S9 regulations of the Water Services Act: 'Norms and standards for water services'
 - S10 regulations of the Water Services Act: 'Norms and standards for water tariffs
 - That all significant activities, including other activities, are included in the Corporate Plan.
- Undisclosed commercially sensitive information will not significantly affect viability, any projections or any information disclosed.
 - All revenue owing to water board has been collected or that steps have been taken in accordance with the appropriate credit control policies.

Exceptions:

The following exceptions are noted to the warranty of compliance provided above:
(Details of exceptions and the extent thereof to be provided)

To be signed by Accounting Authority of the Board after resolution of the Board mandating the signing has been taken.



DR NF MPHEPHU
CHAIRPERSON OF THE BOARD

31/05/2023

DATE

ANNEXURE A: QUARTERLY TARGETS

1. PROVISION OF EQUITABLE AND SUSTAINABLE BULK WATER SERVICES

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
Operational excellence	Enhanced operational efficiency	1.1. Improve Infrastructure Efficiency and Effectiveness	1.1.1.Number of days of unplanned interruptions to bulk supply exceeding 24 hours	0.41%	3%	3	3	3	3	3
		1.2. Manage water losses within the scheme	1.2.1.Avoidable water lost as a percentage of water abstracted	6.78%	5%	5%	5%	5%	5%	5%
Water quality compliance	Provision of drinking water with excellent quality	1.3. Comply with SANS 241 for drinking water quality (Bulk)	1.3.1.% Acute Microbiological compliance	98.7%	98%	97%	97%	97%	97%	97%
			1.3.2.% Acute Health Chemical compliance	99,30%	95%	95%	95%	95%	95%	95%
			1.3.3.% Aesthetic compliance	N/A	N/A	95%	95%	95%	95%	95%
			1.3.4.Operational Compliance	93,40%	95%	95%	95%	95%	95%	95%
			1.3.5.% Chronic health chemical compliance	99,50%	95%	95%	95%	95%	95%	95%
ISO Compliance	Improve environmental	1.4. Comply with ISO 14001 certification	1.4.1.Valid certificate	Valid Certificate	Valid Certificate	12	N/A	N/A	N/A	12

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
	performance and compliance									
	Provide a safe working environment for employees	1.5. Comply with ISO 45001 certification	1.5.1. Valid certificate	Legal compliance report	Legal compliance report	Legal compliance report	N/A	N/A	N/A	Legal compliance report

2. BULK WATER SERVICES INFRASTRUCTURE PLANNING AND DEVELOPMENT.

STRATEGIC FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
Infrastructure development	Reliable water services provision	2.1. Expand and renew water infrastructure	2.1.1. Average % Completion of LNW infrastructure projects per approved project execution plan	89,8%	85%	85%	15%	30%	55%	85%
			2.1.2. Actual capex spent on LNW expansion related projects as % of budget	N/A	N/A	85%	15%	30%	55%	85%
			2.1.3. Average % Completion of Ministerial Directives per approved project execution plan	66,2%	65%	65%	15%	25%	50%	65%
			2.1.4. Actual capex spent on expansion related projects as % of budget	74%	65%	65%	15%	25%	50%	65%

STRATEGIC FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
			(initiative by the Minister)							
			2.1.5.Overall % project completion dates within targets	N/A	30%	30%	#	#	#	30%

3. EFFECTIVE FINANCIAL VIABILITY AND SUSTAINABILITY.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
Sound Financial Management	Effective SCM Process	3.1. Local economic development (Job creation)	3.1.1.% BBBEE expenditure	94%	90%	90%	90%	90%	90%	90%
			3.1.2.Number of new entrants awarded with contracts in the financial year	4	5	5	#	1	3	5
	Financial Growth	3.2. Increased Revenue	3.2.1.% Income from secondary activities on turnover	9%	5%	5%	5%	5%	5%	5%
			3.2.2.Repairs and maintenance as a % of Property Plant and Equipment	1.65%	1,50%	1,50%	1,50%	1,50%	1,50%	1,50%
		3.3. Profitability Analysis	3.3.1.Gross profit margin (primary activity)	53%	48%	50%	50%	50%	50%	50%
			3.3.2.Gross profit margin (secondary activity)	98%	5%	5%	5%	5%	5%	5%
			3.3.3.Net profit margin (primary activity)	20%	5%	1%	1%	1%	1%	1%

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
			3.3.4.Net profit Margin (secondary activity)	74%	5%	5%	5%	5%	5%	5%
			3.3.5.Return on assets	3%	1%	1%	1%	1%	1%	1%
			3.3.6.% Variance of actual Capital Expenditure versus Capital budget	5%	10%	10%	10%	10%	10%	10%
	Improved Audit Outcome	3.4. Enhanced control environment	3.4.1.Audit opinion	Unqualified	Unqualified	Unqualified				Unqualified
	Improved Cash management	3.5. Cost containment	3.5.1. % Variance of actual operational Expenditure (fixed costs) versus operational budget	19%	10%	10%	10%	10%	10%	10%
			3.5.2.Staff remuneration as % of total operating expenditure	34%	35%	35%	35%	35%	35%	35%
		3.6. Improved collection rate	3.6.1.Current ratio	1,79	1	1	1	1	1	1
		3.7. Working Capital Management	3.7.1.Debt equity	27%	20%	20%	20%	20%	20%	20%
			3.7.2.Debtors' days	479	250	250	250	250	250	250

4. EFFECTIVE AND EFFICIENT ORGANISATIONAL DEVELOPMENT PROCESSES AND PRACTICES.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
Staff Levels	Workforce Plan to address the current and future Human Resources needs.	4.1. Hiring and retaining people with the required skills, knowledge, and experience.	4.1.1.% Staff Turnover	PO 15	0.78%	2%	2%	2%	2%	2%	2%
Training and Skills Development	Grow the talent and skills	4.2. Increase the supply of talent through skills inventories and succession pools.	4.2.1.Number of Learnership (Beneficiaries)	PO 16	0	30	30	0	0	15	30
			4.2.2.Number of bursary employees enrolled for development	PO 16	98	70	70	0	0	0	70
			4.2.3.Number of employees on graduate programme	PO 16	44	50	50	0	0	25	50
			4.2.4.Number of registered employees with professional bodies	N/A	N/A	N/A	10	0	0	0	10
Job Created	Build a talent pipeline	4.3. Increase the supply of talent through talent acquisition practices and succession pools.	4.3.1.Number of permanent and fixed term jobs created	PO 17	3	5	5	0	1	3	5
			4.3.2.Number of temporary jobs created	PO 17	465	120	120	0	40	80	120

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
Information Technology Infrastructure Utilisation	ICT Operation Model	4.4. Build best practice principles to deliver a robust, secure, and effective ICT service.	4.4.1.% Network Availability of IT infrastructure	N/A	97%	95%	95%	95%	95%	95%	95%
			4.4.2.% System Availability of IT infrastructure	N/A	97%	95%	95%	95%	95%	95%	95%

5. GOOD GOVERNANCE AND CLEAN ADMINISTRATION.

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
Compliance	Comply with relevant regulatory and statutory reporting frameworks	5.1. Reduce violations of relevant regulatory and statutory reporting frameworks	5.1.1.Number of breaches of materiality and significance framework	PO 20	0	0	0	0	0	0	0
			5.1.2.% Statutory reports submitted on time	PO 14	100%	100%	100%	100%	100%	100%	100%
Governance	Effective Internal Controls and Risk Management	5.2. Reduce internal audit findings and organisational risks	5.2.1.Maximum number of repeat internal audit findings	PO 19	3	0	0	0	0	0	0
			5.2.2.Maximum number of unresolved Internal audit findings	PO 19	37	20	15	5	3	3	4
			5.2.3.Tolerable organisational residual risk	N/A	8,6	7	7.5	7.5	7.5	7.5	7.5
Corporate Brand	Positive perceptions	5.3. Accentuate the corporate	5.3.1.Number of municipalities supported on rural	PO 13	N/A	0	N/A	N/A	N/A	N/A	N/A

STRATEGIC KEY FOCUS AREA	STRATEGIC GOALS	STRATEGIC OBJECTIVES	KEY PERFORMANCE INDICATOR	SHC ANNEX 1	BASELINE 2021/22	ESTIMATED ACHIEVEMENT 2022/23	TARGET 2023/24	Q1	Q2	Q3	Q4
identity and Image	held by external clients	brand and image.	development programmes								
			5.3.2.% Stakeholder satisfaction	N/A	81%	85%	80%	80%	80%	80%	80%
			5.3.3.Number of municipalities or other customers with bulk supply agreements	PO 11	0	1	N/A	N/A	N/A	N/A	N/A
			5.3.4.Number of CSI initiatives undertaken	PO 21	8	4	4	1	1	1	1
Board Effectiveness	Strategic leadership	5.4. Provide effective leadership	5.4.1.% Board members' attendance of all board and committee meetings	PO 18	97%	95%	95%	95%	95%	95%	95%
			5.4.2.Decision making: % number of resolutions taken by the board versus number of resolutions required		100%	95%	95%	95%	95%	95%	95%

ANNEXURE B: TECHNICAL INDICATOR DEFINITION

1. PROVISION OF EQUITABLE AND SUSTAINABLE BULK WATER SERVICES

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
Number of days of unplanned interruptions to bulk supply exceeding 24 hours	Number of days (> 24 hours) supply disrupted over total supply days (365 days per year)	Manage operations and assets to eliminate unplanned supply disruptions.	Daily interruptions logbooks.	Duration of unplanned disruptions greater than 24 hours / total supply days	Daily interruptions logbooks indicating details of supply disruption incidents.	Quarterly	0 – 24hrs	GM: Operations & Maintenance	Cumulative year end
Avoidable water lost as a percentage of water abstracted	Reduced avoidable water losses in the water treatment and distribution systems. Unavoidable losses are defined as process losses, e.g., those water losses related to backwashing of filters (and not recovered/reused), maintenance of pipelines and cleaning of reservoirs etc. Losses from infrastructure failures such as bursts/leaks, meter variables, reservoir leaks/overflows etc are classified as avoidable losses.	Water conservation and management	Water management reports	$y\% = x/y * 100$ Where, x = Volume of water abstracted less service water less water sold less water stock y = Volume of water abstracted	Water management report	Monthly	Water loss $\leq 5\%$	GM: Operations & Maintenance	Non-cumulative (average 4 quarters)
% Acute Microbiological compliance	Indicate compliance with legislated norms and standards with regards to the quality of bulk potable water supplied. This is to be done in the context of	To provide safe potable water	Water Quality compliance report	$y\% = x/y * 100$ Where ; x= number of compliant microbiological results	Excel spreadsheets calculations	Quarterly	Compliance to SANS 241	GM: Operations & Maintenance	Non-cumulative (average 4 quarters)

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
% Acute Health Chemical compliance	meeting SANS standard 241.			y= total number of microbiological results * 100					
		To provide safe potable water	Water Quality compliance report	y% = x/y * 100 Where: x= number of compliant aesthetic results y= total number of aesthetic results * 100	Excel spreadsheets calculations	Quarterly	Compliance to SANS 241	GM: Operations & Maintenance	
% Aesthetic compliance		To provide safe potable water	Water Quality compliance report	y% = x/y * 100 Where: x= number of compliant Aesthetic results y= total number of Aesthetic results * 100	Excel spreadsheets calculations	Quarterly	Compliance to SANS 241	GM: Operations & Maintenance	
Operational Compliance		To provide safe potable water	Water Quality compliance report	y% = x/y * 100 Where: x= number of compliant operational results y= total number of operational results * 100	Excel spreadsheets calculations	Quarterly	Compliance to SANS 241	GM: Operations & Maintenance	
% Chronic health chemical compliance		To provide safe potable water	Water Quality compliance report	y% = x/y * 100 Where: x= number of compliant chemical health results	Excel spreadsheets calculations	Quarterly	Compliance to SANS 241	GM: Operations & Maintenance	

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
				y= total number of chemical results * 100					
ISO 14001 Certification	The environmental management system assists the organisation to protect the environment through continual improvement	To reduce the impact of operational activities of the environment	ISO 14001 Certificate	Independent assessment report	Signed independent assessment report	Annually	Compliance to Iso 14001	GM: Operations & Maintenance	Cumulative year end.
ISO 45001 Certification	The safety and occupational health management system assists the organisation to ensure the safety and health of employees, visitors and contractors	To provide a healthy and safe work environment	ISO 45001 Certificate	Independent assessment report	Signed independent assessment report	Annually	Compliance to Iso 14001	GM: Operations & Maintenance	Cumulative year end.

2. BULK WATER SERVICES INFRASTRUCTURE PLANNING AND DEVELOPMENT

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
Average % Completion of LNW infrastructure projects per approved project execution plan	LNW Projects/ initiatives directed at extending and renew infrastructure to meet increases in demand related to increasing access to water services or meeting upgrades in service standards by customers/consumers.	To increase the supply and meet the demand	LNW Project progress reports as per the approved project execution plan	$y\% = x/y * 100$ Where: x = Annual actual progress y = Annual planned project performance <i>(Average of all projects is recorded)</i>	Physical project progress as per the project programme	Quarterly	Achieve target as per the execution plan	GM: Engineering Services	Cumulative (year to date)
Actual capex spent on LNW expansion related projects as % of budget	Projects directed at extending infrastructure to meet increases in demand related to increasing access to water services or meeting upgrades in service standards by customers/consumers.	To measure capital expenditure.	DWS Expenditure report	$y\%=x/y*100$ Where: x = Actual annual capital expenditure y = Annual capital budget	Certified expenditure	Quarterly	Achieve target as per the execution plan	GM: Engineering Services	Cumulative (year to date)
Average % Completion of Ministerial Directives per approved project execution plan	Projects/ initiatives directed at extending infrastructure to meet increases in demand related to increasing access to water services or meeting upgrades in service standards by customers/consumers.	To increase the supply and to meet the demand	DWS Project progress reports	Physical project progress as per the project programme $y\% = x/y * 100$ Where: x = Annual actual progress y = Annual planned project performance	Project progress reports highlighting the physical activities achieved in line with execution programme.	Quarterly	Achieve target as per the execution plan	GM: Engineering Services	Cumulative (year to date)

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
				<i>(Average of all projects is recorded)</i>					
Actual capex spent on expansion related projects as % of budget (initiative by the Minister)	Projects/initiatives directed at extending infrastructure to meet increases in demand related to increasing access to water services or meeting upgrades in service standards by customers/consumers.	To measure capital expenditure.	DWS Expenditure report	$y\% = x/y * 100$ Where: x = Actual annual capital expenditure y = Annual capital budget	Certified expenditure	Quarterly	Achieve target as per the execution plan	GM: Engineering Services	Cumulative (year to date)
Overall % project completion within targets	The indicator refers to the actual time the projects completed against planned schedules	To measure if the ministerial projects that are completed within or outside timeframes	LNW Project progress reports	Actual number of CAPEX projects completed within target dates as a % total number of CAPEX projects. $y\% = x/y * 100$ Where: x= number of CAPEX projects within target completion dates y= total number of CAPEX projects	Project progress reports highlighting the physical activities achieved in line with execution programme.	Quarterly	Achieve target as per the execution plan	GM: Engineering Services	Cumulative (year to date) <i>(Average of all projects is recorded)</i>

3. EFFECTIVE FINANCIAL VIABILITY AND SUSTAINABILITY

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
% BBBEE expenditure	The BBBEE target will only take into account the procurement commitments/ appointments. <i>(In terms of the SCM policy)</i>	To measure how much the organisation is spending on BBBEE Service Providers	BBBEE Report	Total spending from BBBEE compliant Service Providers as a % of total spent. $y\% = x/y * 100$ Where: x = Total spending from BBBEE compliant Service Providers y= Total spent	Supply chain management reports showing the spending from BBBEE compliant Service Providers.	Quarterly	As per the set target	Chief Financial Officer	Cumulative to date
Number of new entrants awarded with contracts in the financial year	The procurement spends in respect of the number of new BBBEE entrants awarded contracts for the respective/relevant period in LNW	To measure the number of new Service Providers in LNW	New Entrants Report	Actual number of new entrants (Number of Suppliers utilised for the first time in LNW after 2009)	Supply chain management reports showing the records of suppliers utilised for the first time in LNW after 2009	Quarterly	As per the set target	Chief Financial Officer	Cumulative to date
% Income from secondary activities on turnover	Measure revenue from secondary activity	To measure how much income that contribute to organisation turnover which is accrued from the secondary activities.	Finance Report	Secondary income as a % of total turnover $y\% = x/y * 100$ Where: x= Income accrued from secondary activities (i.e., Management fee and any other related income) y= total turnover	Financial reports showing the secondary income as well as the total turnover.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
Repairs and maintenance as a % of Property Plant and Equipment	If the ratio could indicate inefficiencies, overstaffing or even the incorrect focus due to misdirected expenditure to non-essentials or non-service delivery related expenditure. Various factors need to be considered when commenting on this ratio, such as the diversity and type of functions performed by the entity, as this can create distortions in the objectives, if the analysis ignores such factors.	To measure how much the organisation is spending on repairs and maintenance for all its PPE.	Finance Report	Actual repairs and maintenance expenditure as a % of total property, plant & equipment. $y\% = x/y * 100$ Where: x= Total actual repairs and maintenance expenditure y= Total property, plant & equipment.	Financial reports with actual repairs and maintenance expenditure with total property, plant & equipment.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Gross profit margin (primary activity)	Primary activity Gross profit (gross sales less cost of sales) to sales revenue as indicated in the Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	To measure financial efficiency	Finance Report	Gross Profit divided by Revenue (Primary activity) $y\% = x/y * 100$ Where: x= Gross Profit y= Revenue	Financial reports showing the gross profit and the revenue from primary activities.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
Gross profit margin (secondary activity)	Secondary Activity gross profit (gross sales less cost of sales) to sales revenue as indicated in the Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	To measure financial efficiency	Finance Report	Gross Profit divided by Revenue (Secondary activities) $y\% = x/y * 100$ Where: x= Gross Profit y= Revenue	Financial reports indicating the gross profit and the revenue from secondary activities.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Net profit margin (primary activity)	Primary Activity Income and expenditure as indicated in the Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts and Statement of Changes in Net Assets	To measure financial efficiency	Finance Report	Net Profit divided by Revenue (Primary activity) $y\% = x/y * 100$ Where: x= Net Profit y= Revenue	Financial reports showing the net profit and the revenue from primary activities.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Net profit Margin (secondary Activity)	Secondary Activity Income and expenditure as indicated in the Statement of Financial Performance, Budget, In-Year reports, AR, Statement of Comparison of Budget and Actual Amounts	To measure financial efficiency	Finance Report	Net Profit divided by Revenue (Secondary activities) $y\% = x/y * 100$ Where: x= Net Profit y= Revenue	Financial reports showing the net profit and the revenue from secondary activities.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
	and Statement of Changes in Net Assets								
Return on assets	The return on assets ratio, often called the return on total assets, is a profitability ratio that measures the net income produced by total assets during a period by comparing net income to the average total assets. In other words, the return on assets ratio or ROA measures how efficiently an entity can manage its assets to produce profits during a period.	To measure profit earned in relation to resources	Finance Report	Net Income divided by Total Assets $y\% = x/y * 100$ Where: x= Net Income y= Total Assets	Financial reports showing the net income and the total assets	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
% Variance of actual Capital Expenditure versus Capital budget	Capital expenditure variance	To measure actual capital expenditure compared to the budgeted CAPEX	Finance Report	$y\% = x/y - 1$ Where: x = Actual capital expenditure y= Total CAPEX Budget	Actual capital expenditure divided by total CAPEX Budget	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Audit opinion	Audit outcome issued by AGSA	To give assurance that the organisations financials are in line with the applicable standards/ legislation and fairly represented.	Audit Report	N/A	External Audit	Annually	As per the set target	Chief Financial Officer	Non-Cumulative

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
% Variance of actual operational Expenditure (fixed costs) versus operational budget	Expenditure variance	To measure actual operational budget compared to the budgeted Opex	Finance Report (Variance)	Actual operating expenditure divided by OPEX Budget $y\% = x/y - 1$ Where: x = Actual operating expenditure y = Total OPEX Budget	Financial reports showing actual operating expenditure against the OPEX Budget.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Staff remuneration as % of total operating expenditure	This ratio is a reflection of funds directed at repairs and maintenance of assets.	To measure how much of operational budget does the organisation uses to fund its personnel expenditure	Finance Report	Personnel cost as a % of total operational expenditure $y\% = x/y * 100$ Where x = Personnel cost y = Total operating costs x = Personnel cost y = Total operating costs	Financial reports showing the personnel cost as against the total operational expenditure.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Current ratio	Popular tool to evaluate short-term solvency position of a business. Short-term solvency refers to the ability of a business to pay its short-term obligations when they become due.	To measure company's ability to pay its short-term debts.	Finance Report	Current Assets divided by Current Liabilities The formula is x/y Where x = Current Assets y = Current Liabilities	Financial reports showing the current assets and the current liabilities.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
Debt equity	Debt-to-equity ratio is the key financial ratio and is used as a standard for judging an entity's financial standing. It is also a measure of an entity's ability to repay its obligations. When examining the health of an entity, it is critical to pay attention to the debt/equity ratio. If the ratio is increasing, the company is being financed by creditors rather than from its own financial sources which may be a dangerous trend.	To measure LNW's financial leverage	Finance Report	Total Liabilities divided by Total Equity $y\% = x/y * 100$ Where: x= Total Liabilities y= Total Equity	Financial reports showing detailed total liabilities and total equity.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)
Debtors' days	The ratio measures the number of days it takes for customers to pay the entity / entity to collect revenue from customers.	To measure how quickly cash is collected from Debtors	Finance Report	Average debtors divided by sales multiplied by the number of days in a year. $\#days = (x/y) * 365$ days Where: x= Debtors y= Sales	Financial reports showing the debtors and sales within the reporting days.	Quarterly	As per the set target	Chief Financial Officer	Cumulative (year to date)

4. STRATEGIC OBJECTIVE 4: EFFECTIVE AND EFFICIENT ORGANISATIONAL DEVELOPMENT PROCESSES AND PRACTICES

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
% Staff Turnover	Implement HR Plan.	Staff retention	HR Report	Number of quarterly terminations as a % of Total Workforce $y\% = x/y \times 100$, where: x = Number of terminations y = Total Workforce	HR reports on the terminations, dismissals, resignations, etc. against the total workforce.	Quarterly	Rate of terminations	GM: Corporate Services	Non-Cumulative (Average of 4 quarter)
Number of Learnerships (beneficiaries)	Learnership beneficiaries	Human capital development	HR Report	Actual number of active beneficiaries	HR training reports on active learnership beneficiaries	Quarterly	Number of learnership beneficiaries	GM: Corporate Services	Cumulative (year to date)
Number of bursary employees enrolled for development	Number of bursaries awarded to employees.	Human capital development	HR Report	Actual number of active bursaries awarded	HR development reports on the active bursaries awarded.	Annually	Number of bursaries awarded to employees	GM: Corporate Services	Cumulative (year to date)
Number of graduates on an internship programme	Number of internship beneficiaries.	Human capital development Experiential Learning	HR Report	Actual number of beneficiaries	HR development reports on the active internship beneficiaries	Quarterly	Number of internship beneficiaries	GM: Corporate Services	Cumulative (year-end)
Number of registered employees with professional bodies	Professionalise employees' careers and the corporate environment.	Continuous professional development	HR Report	Actual number of employees registered with professional bodies	HR development reports on employees registered with professional bodies	Annually	Number of employees registered with professional bodies.	GM: Corporate Services	Cumulative year end.
Number of permanent and fixed term jobs created	Number of new recruits.	Job Creation	HR Report	Actual number of permanent and fixed term jobs created	Detailed HR reports on jobs created	Quarterly	Number of jobs created	GM: Corporate Services	Cumulative (year-end)
Number of temporary jobs created	Number of temporary recruits.	Job Creation	HR Report	Actual number of temporary jobs created	Detailed numbers of reports on short term projects and others temporary job initiatives.	Quarterly	Number of temporary jobs created	GM: Corporate Services	Cumulative (year-end)

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% Network availability of IT infrastructure	Refers to the availability of connectivity on the organisation's network 24 hours	To enable the business to provide services to LNW customers	IT Report	<p>Availability is measured over a calendar month and expressed as a percentage.</p> <p>Average of the network availability for all the sites.</p> <p>(A single value per site measured systematically over 24 hours)</p>	Detailed network availability technical reports from ICT	Quarterly	Network availability over 24 hours.	GM: Corporate Services	Non-cumulative
% System availability of IT infrastructure	Refers to the availability of systems for use in the organisation 24 hours	To enable the business to provide services to LNW customers	IT Report	<p>Availability is measured over a calendar month and expressed as a percentage.</p> <p>Average of system availability for all servers.</p> <p>(A single value per system measured in terms of its availability over 24 hours)</p>	Detailed systems availability technical reports from ICT	Quarterly	System availability over 24 hours.		Non-cumulative (Average 4 quarters)

5. STRATEGIC OBJECTIVE 5: GOOD GOVERNANCE AND CLEAN ADMINISTRATION

KEY PERFORMANCE INDICATOR	DEFINITION	PURPOSE/ IMPORTANCE	SOURCE OF DATA	METHOD OF CALCULATION	MEANS OF VERIFICATION/ SUPPORTING DOCUMENTS	REPORTING CYCLE	DESIRED PERFORMANCE	INDICATOR RESPONSIBILITY	CALCULATION TYPE
Number of breaches of materiality and significance framework	Compliance with the framework that defines material and significant levels of compliance	To comply with government prescripts such that all the material matters are considered for approval by the Board. Significant transactions are referred to the Minister for approval. Concurrence of the National Treasury will be required for other transaction that are significant in nature as defined by the PFMA.	Materiality and Significance Report	<p>This indicator is quantitative therefore "simple count".</p> <p>An issue is material if the associated value impact would exceed 0.5% of revenue.</p>	Financial and enterprise risk reports	Quarterly	Comply with materiality framework	CFO	Cumulative (year-end)
% Statutory reports submitted on time	Percentage of statutory reports submitted within prescribed time.	To monitor submission requirements for statutory reports	Company Secretary's Report	<p>Number of statutory reports submitted on time as a % of total statutory reports required for submission.</p> <p>$a = x/y * 100$ Where: x= Number of statutory reports submitted on time y= Total statutory reports required for submission</p>	Sent emails and confirmation letters from the recipients of the various documents.	Quarterly	100% submission	Company Secretary	Cumulative (average of 4 quarters)

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Maximum number of repeat internal audit findings	Number of resolved internal audit findings reoccurring within three consecutive years.	To monitor reoccurrence of internal audit findings that were previously resolved	Internal Audit Report	Repeated findings will be added together from all new IA engagements. Actual number of repeat internal audit findings reported	Internal audit reports	Quarterly	Achieve as per the set target	Chief Audit Executive	Cumulative (year-end)
Maximum number of unresolved Internal audit findings	Number of unresolved internal audit findings.	To monitor if internal audit findings issued in prior audits are resolved	Internal Audit Report	A follow up audit engagement will be conducted on all outstanding internal audit findings that are reported by management as resolved for a specific period and all unresolved findings will be added together and reported. Actual number of unresolved internal audit findings	Internal audit reports	Quarterly	Achieve zero repeat audit findings	Chief Audit Executive	Cumulative (year-end)
Tolerable organisational residual risk	Organisational residual risk exposure level as per the operational and strategic risk registers.	To monitor the organisational residual risk levels.	Risk management report	Average Residual Risks for all Risks within the operational & strategic risk registers.	Risk management reports i.e., both strategic and operational risks.	Quarterly	Achieve approved residual risk	Chief Risk Officer	Non-Cumulative
Number of municipalities supported on rural development programmes.	Support all identified municipalities through rural development programmes.	To improve quality of life of communities within rural municipalities.	Stakeholder Management report	Actual number of MoUs signed	Signed MoUs	Quarterly	Achieve the set target	Strategy & Planning Manager	No target for the current financial year

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% Stakeholder satisfaction	The indicator refers to level that stakeholders are satisfied with service provided	To measure the extent to which stakeholders are satisfied.	Stakeholder Management report	Gather stakeholder satisfaction through questionnaires. Average of Actual results from the customer satisfaction questionnaires	Filled in questionnaires	Quarterly	Achieve the set target	Strategy & Planning Manager	Non-Cumulative (latest report reflect the status)
Number of municipalities or other customers with bulk supply agreements	Signed contractual agreements that exist in relation to the bulk water supply to clients.	To secure bulk water and sanitation services and enhance regulatory compliance	Stakeholder Management report	Actual number of contracts signed	Signed bulk agreements.	Annually	Achieve the set target	Strategy & Planning Manager	Non-Cumulative
Number of CSI initiatives undertaken	Corporate Social Investment Initiatives concluded by the organisation.	To measure and monitor the number of corporate social investment initiatives by the organisation	Stakeholder Management report	Actual number of CSI initiatives concluded	Detailed reports of the CSI initiatives.	Quarterly	Achieve the set target	Strategy & Planning Manager	Cumulative (year-end)
% of Board members' attendance of all board and committee meetings	Level of board members' attendance to all board and committee meetings	To measure the extent to which board members attends board and board committee meetings	Company Secretary's Report	Total number of board members attending meetings as a % of the total number of board members for scheduled meetings $y\% = x/y * 100$ Where: x= Number of board members attending meetings y= Total number of board members for scheduled meetings	Attendance registers of the various meetings and minutes	Quarterly	Achieve the set target	Company Secretary	Cumulative (average of 4 quarters)

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Decision making: % number of resolutions taken by the board versus number of resolutions required	The % number of resolutions taken vs the number of resolutions required.	To measure the extent to which the Board takes decisions on submissions made	Company Secretary's Report	<p>Number of resolutions taken by the Board as a % of number of resolutions required (based on resolutions taken vs reports submitted & presented for resolution)</p> <p>$y\% = x/y * 100$ Where: x= Number of resolutions taken by the Board y= Number of resolutions required to be taken by the board</p>	Resolution register with all the resolution of the board meetings.	Quarterly	As per the target set	Company Secretary	Non-Cumulative (average of 4 quarters)



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