



**PIKITUP JOHANNESBURG SOC LIMITED**

**2015/16 MID YEAR  
REPORT  
DECEMBER 2015**

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# 1 INTRODUCTION

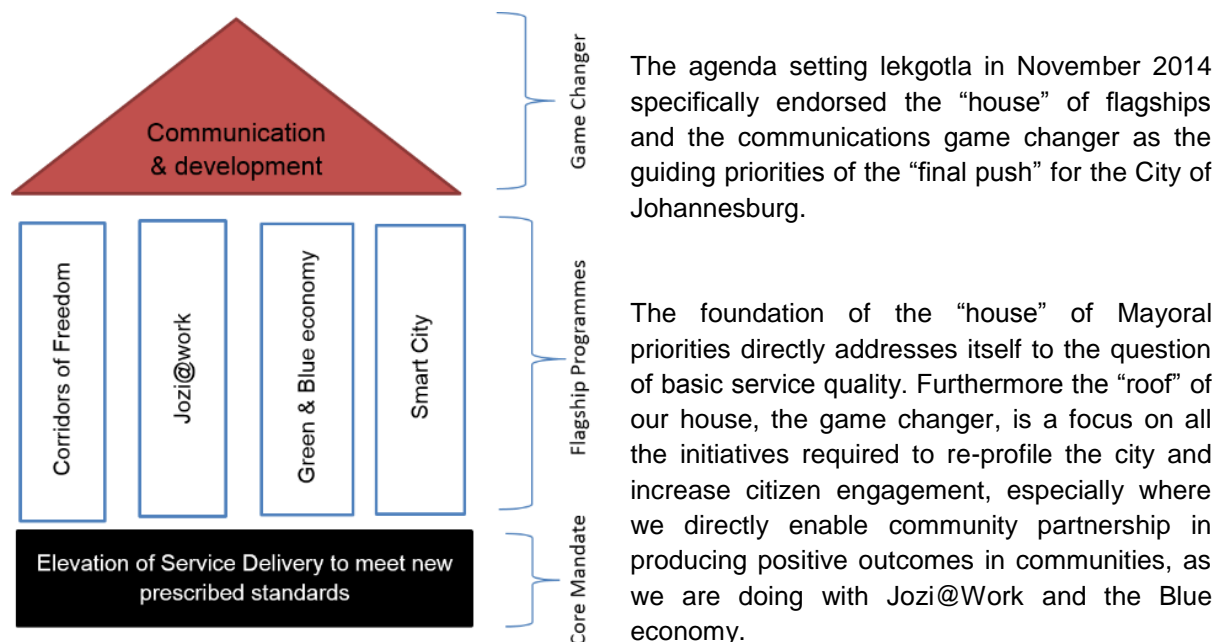
This document is a Pikitup performance management report for the second quarter of the 2015/16 financial year. The organisation submits quarterly reports to its shareholder, the City of Johannesburg, as per the Service Delivery Agreement.

The Back to Basics programme was launched nationally by the Minister of COGTA as a response to lost public confidence in municipal government as expressed through service delivery protests and GCRO quality of life data showing 30% confidence in local government.

## Back to basic principles are:

- ❑ Put people and their concerns first and ensure constant contact with communities through effective public participation platforms. This is the essence of the ‘back to basics’ approach.
- ❑ Create conditions for decent living by consistently delivering municipal services to the right quality and standard. This includes planning for and delivery of infrastructure and amenities, maintenance and upkeep, including the budgeting to do this. Ensure no failures in services and where there are, restore services with urgency.
- ❑ Be well governed and demonstrate good governance and administration - cut wastage, spend public funds prudently, hire competent staff, ensure transparency and accountability.
- ❑ Ensure sound financial management and accounting, and prudently manage resources so as to sustainably deliver services and bring development to communities.
- ❑ Build and maintain sound institutional and administrative capabilities, administered and managed by dedicated and skilled personnel at all levels.

The City of Johannesburg and Pikitup are well on their way to realizing these principles – which accord deeply with the vision GDS 2040, and are given practical expression by the 10 priority implementation plans. These principles are also detailed in the Business Plan and SDBIP of Pikitup.



These priorities are reflected in the SDBIP of Pikitup and provides key indicators and targets to measure our performance to deliver on the “final push”. The first quarter report will provide progress in the implementation of the priorities and programmes as identified in the house.

## 2 GOVERNANCE

### 2.1 Board of Directors and Committees

During the second Quarter of 2015/16, the Board and the Board Committees of Pikitup (Operation & Service Delivery, Audit & Risk and Social Ethics & Human Resources) met to receive reports from management, review quarterly performance and, amongst others, note the audited annual financial statements and unqualified audit. The latter was dealt with at a special Audit & Risk Committee meeting and a special Board meeting convened for that purpose. The company has in this quarter lodged its annual returns as required in terms of the Companies Act 2008 with the Register of Companies (CICP).

#### 2.1.1 Meeting Attendance

The charters of the Board and its respective Committees sets out the meeting requirements. The Board and each Committee are required to meet at least once per quarter. An annual calendar is prepared in advance of the financial year and meeting (apart from special meetings) are also arranged in advance. Attendance at meetings and other engagements held during the year were as follows:

**Table 2-1: Meeting Attendance**

Description	BOD	*ARC	*SEHRC	*OSD	COJ
Number	<b>4</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
Adams D	4		1	1	
Badela G	4			1	
Bogatsu S	4		1	1	
Brenner, L	4	2			
Buys, R		1			
Hanekom T	4		1	1	1
Hattingh, W		1			
Maharaj, S	4				
Matshekg, L	4	2	1		
Mufana, G		2			
Nair, A	4	2		1	
Nyabeze, W	4			1	
Rampai, D			1		

### 2.2 Enterprise Risk Management

Pikitup is committed to a process of risk management that is aligned with the principles of good corporate governance, as provided for in the Municipal Finance Management Act (MFMA), the King III Report on Good Governance for South Africa and National Treasury guidelines on the management of risks by government entities, in order to ensure a responsive, accountable and productive administration.

Pikitup has a comprehensive Enterprise Risk Management Framework which requires that risk assessments are undertaken regularly and appropriate risk responses are put in place and that the efficacy of these risk responses are monitored on an ongoing basis and reported to the governance structures of Pikitup. Audit and Risk Committee meet quarterly to provide an oversight on risk management.

## 2.2.1 Risks Assessment

During quarter 3 of 2014/15, Pikitup management supported by enterprise risk management department undertook the journey of reviewing all the risk registers for the operational functions of the business. The purpose of the review was to ensure that Pikitup's risk profile is aligned with the 2015/16 strategic goals and objectives set out in the business plan which incorporate SBDIP.

The review was design and implemented along the risk assessment process phases of: Establishing the context, Risk identification, Analyse control environment, Risk evaluation & prioritisation, and Risk treatment. All other phases were completed with the exception of risk treatment phase which is a focus for quarter 3 of 2015/16.

The review process resulted into the identification of 59 business risks that are inherent to PIKITUP goals and objectives of which 19 has been evaluated as the top risks. The 19 top risks were presented and discussed at the EXCO risk workshop held on the 16 November 2015.

The table below set out the reviewed top risks for Pikitup business along with strategic goals and objectives. Risk ranking is based on inherent risk ratings.

**Table 2-1: Reviewed Top Pikitup risks for 2015/2016**

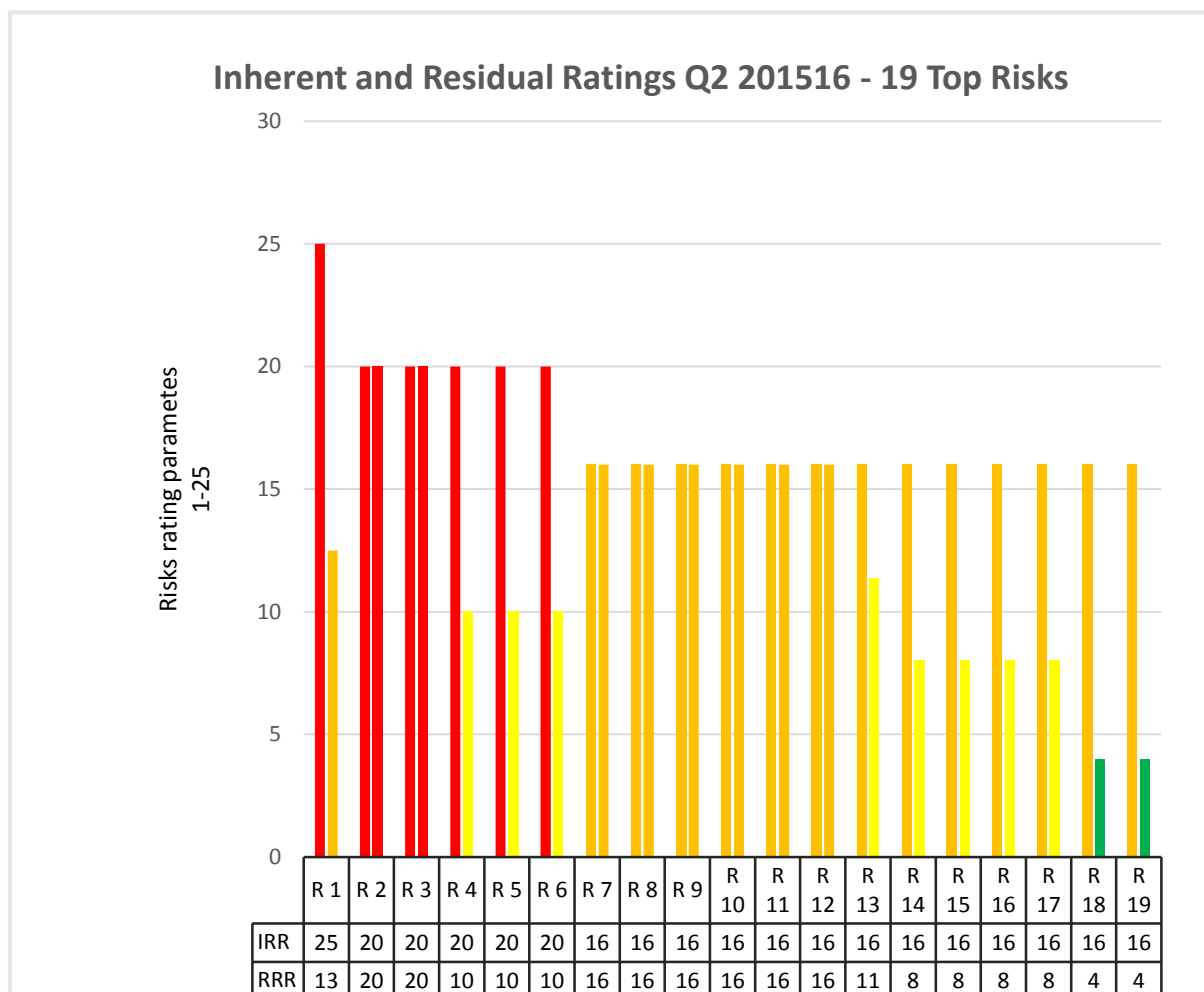
Ranking Number	Goal	Objective	Risk Title	Inherent Risk Rating (IRR)	Residual Risk Rating (RRR)
R1	Integrated Waste Management, Prevention and Minimisation.	To ensure waste to landfills are minimized.	Unavailability of landfill air space. (9 years of airspace left)	25	13
R2	Realisation of Value throughout the Waste Value Chain	To use waste as resource for poverty alleviation and job creation.	Cost overruns / costs exceeding the budget	20	20
R3	Integrated Waste Management, Prevention and Minimisation.	To ensure waste to landfills are minimized.	Inability of bio-digester project to take off.	20	20
R4	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Non-adherence to environmental related aspects	20	10
R5	Effective and Efficient Waste Services	To ensure effective and efficient waste services.	Failure to achieve cleanliness levels through curbing illegal dumping	20	10
R6	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Performance information may be incorrect, unreliable and inaccurate.	20	10
R7	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Failure of control environment.	16	16
R8	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	High rate of incapacity and absenteeism	16	16

Ranking Number	Goal	Objective	Risk Title	Inherent Risk Rating (IRR)	Residual Risk Rating (RRR)
R9	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Ineffective employer and employee relationship.	16	16
R10	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Lack of relevant and key differential knowledge to address rapid changes in the ICT industry.	16	16
R11	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Litigation against the organisation.	16	16
R12	Integrated Waste Management, Waste Prevention and Waste Minimisation.	To ensure waste to landfills are minimized.	Low participation rate	16	16
R13	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Theft of assets, information and malicious damage to property.	16	11
R14	Integrated Waste Management, Waste Prevention and Waste Minimisation.	To ensure waste to landfills are minimized.	Insufficient / lack of infrastructure to support recycling activities.	16	8
R15	Realisation of Value throughout the Waste Value Chain	To use waste as resource for poverty alleviation and job creation.	Potential for increased public liability	16	8
R16	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Sub-optimal contract management	16	8
R17	Partnerships and Stakeholder Involvement	Mobilisation of public at large to change behaviour	Inability to change behaviour of public at large (Waste minimisation and waste prevention objectives not achieved )	16	8
R18	Building an Efficient, Effective and viable waste management company.	To become leading organization in waste management	Information security (Cyber threats)	16	4
R19	Realisation of Value throughout the Waste Value Chain	To use waste as resource for poverty alleviation and job creation.	Service providers invoking Section 198 of labour relations, hence Pikitup required to absorb co-ops employees	16	4

The comparison of inherent and residual risk levels for the 19 top risks is reflected on graph below:



Figure 2-1: Inherent and Residual Risk Ratings



### 2.2.2 Integration of risk management into performance management system

Integration of risk management into performance management system is a critical milestone for a conducive risk management culture within the company supporting effective practise of risk management. PIKITUP EXCO continued to set the tone for risk management by approving the revised risk management key performance indicators which must be incorporated into the manager's performance score cards for 2015/16.

### 2.2.3 Risk Management System

Risk management system enabling efficient practise of risk management has been procured, installed, training attended by majority of risk champions and system operationalisation commenced with.

## 2.3 Anticorruption and Fraud

The following incident was received from Hotline for actions by the Pikitup:

Serial Number	Nature of Incident	Site	Actions
1020150723121752	Allegation of Fraud reported, wherein an anonymous informer indicated that a Pikitup client was having two Bins that he was not paying for	Malboro	Incident investigated and feedback provided

## 2.4 Technology and Systems

For the quarter under review the ICT department placed emphasis on improving the infrastructure and governance environment within the business.

Focus areas and achievements for the quarter are highlighted below:

FOCUS AREA	ACHIEVEMENTS FOR THE QUARTER	IMPACT ON THE BUSINESS
<b>Business Intelligence</b>	<ul style="list-style-type: none"> <li>Reporting tools for the Strategic Services department have been complete</li> </ul>	<ul style="list-style-type: none"> <li>The ability to access data in a common format from multiple sources and a way to measure goals and analyse cross-departmental data</li> </ul>
<b>Business information systems (BIS)</b>	<ul style="list-style-type: none"> <li>FROCC analysis completed</li> <li>Areas for improvement identified</li> <li>Implementation of a bulk SMS facility to improve communication to stakeholders</li> <li>Installation of a Skype for business platform</li> </ul>	<ul style="list-style-type: none"> <li>A stable BIS platform</li> <li>Better communication to stakeholders</li> </ul>
<b>Infrastructure</b>	<ul style="list-style-type: none"> <li>Wi-Fi rolled out at head office</li> <li>CAT 6 cabling installed at head office</li> <li>New server room installed</li> <li>Network penetration testing completed</li> <li>Pilot of thin clients for centralised computing</li> <li>Upgrades to the helpdesk system</li> </ul>	<ul style="list-style-type: none"> <li>Stable network environment at all Pikitup sites</li> <li>Efficient management of ICT related issues</li> <li>Improved turn around on query resolution</li> <li>Up to date reporting on query resolution status</li> <li>Better allocation of ICT technicians in line with their skills and expertise</li> </ul>
<b>Disaster recovery</b>	<ul style="list-style-type: none"> <li>Quarterly DR testing completed</li> </ul>	<ul style="list-style-type: none"> <li>Regular backup of business data</li> <li>Secure, safe and up to date retrieval of business data</li> </ul>
<b>Process</b>	<ul style="list-style-type: none"> <li>Revised policy universe in line with CoBIT</li> </ul>	<ul style="list-style-type: none"> <li>Improved ICT governance</li> </ul>

### 3 SERVICE DELIVERY PERFORMANCE

#### 3.1 Highlights and Achievements

The following achievements could be highlighted in the first quarter:

Focus Area	Progress Achieved in quarter	Action Plan
Communication and Stakeholder Management (game changer)	<ul style="list-style-type: none"> <li>• Stakeholder engagement Plan was developed and approved. A Stakeholder Committee was established to continuously identify and manage relationships with stakeholders.</li> <li>• Waste Dialogue took place with stakeholders in Inner City. Various participants made pledges that will assist in the improvement of cleanliness in the area.</li> <li>• Pikitup participated in National Recycling week with various clean up activities as well as advertorials in major newspapers to create awareness.</li> </ul>	<ul style="list-style-type: none"> <li>• Stakeholder Committee to continue and additional activities in collaboration with stakeholders to be developed.</li> </ul>
Waste Diversion (flagship project)	<ul style="list-style-type: none"> <li>• Green Waste diversion target was not met – with 12 964 tons achieved against a target of 15 000 tons (i.e. 86.43% of target), due to an unusually hot and dry spring season and labour unrest during the November to December period. However, the year-to-date green waste tonnages diverted are on track at 25 425 tons against a target of 60 000 tons.</li> <li>• During the first quarter and second quarter of 2015/2016, Pikitup diverted 43102 and 16 752 tons of builders' rubble away from the landfill respectively. The combined builders rubble diversion for the 1<sup>st</sup> and 2<sup>nd</sup> quarters of 2015/16 is 59 854 tons, which is 120% of the yearly diversion target of 50 000 tons. Therefore, the yearly target of builder's rubble diversion has been achieved and exceeded by 19% in the first half of the year.</li> <li>• Health Care Risk Waste Treatment Facility Feasibility Study was successfully concluded and key recommendation is that Pikitup should not re-enter the health care risk waste treatment market. However, the land at Robinson Deep landfill could be leased to the current players to implement a health care risk waste facility.</li> <li>• Bio-digester for food waste diversion feasibility study is being conducted by the University of Johannesburg. Final feasibility is due in January 2016</li> <li>• Dry waste recycling target of 10 000 tons has not been achieved in this quarter with only 9 138 tons having been diverted.</li> </ul>	<ul style="list-style-type: none"> <li>• Finalize the 10yr off-take agreement in Q3 to supplement the off-takes done through the 3yr off-take agreement</li> <li>• No action required</li> <li>• No action required</li> <li>• No action required</li> <li>• With the envisaged rollout of the private sector partnership model in Q3, more areas within the City of Johannesburg currently not covered with S@S will be covered. It is thus expected that</li> </ul>

Focus Area	Progress Achieved in quarter	Action Plan
	<ul style="list-style-type: none"> <li>The actual capital expenditure is 53% and the commitments as of 24 December 2015 are valued at 95% of the total budget. The capital budget expenditure target of 30% for this quarter has thus been exceeded</li> </ul>	<p>this will result in increased diversion.</p> <ul style="list-style-type: none"> <li>No action required</li> </ul>
Jози@Work (flagship project)	<ul style="list-style-type: none"> <li>An additional 7 cooperatives were established during the quarter. Since inception 35 cooperatives have been established and 1003 jobs created.</li> <li>J@W teams were hit by the Pikitup strike that has unfortunately taken us back and of course it also affected J@W operations. This has led to the accumulation of illegal dumps wherein additional resources had to be brought in to recover from this backlog. Although the J@W entities were not on strike, they were however intimidated by the striking Pikitup workers.</li> </ul>	<ul style="list-style-type: none"> <li>Process to be finalised to establish CSA panel</li> <li>Additional funding to be sourced to appoint additional cooperatives in Zandspruit and other areas.</li> </ul>
Service Delivery (core mandate)	<ul style="list-style-type: none"> <li>During the last week in November and the first week of December 2015 all operational activities were interrupted by an illegal strike action which had an adverse effect on the waste services in its entirety. Therefore depots scheduled activities such as RCR rounds were not completed at all during the two weeks of strike. However rudimentary private sector services were involved to address some of the backlog.</li> </ul>	<ul style="list-style-type: none"> <li>A recovery plan was put in place and services have normalised.</li> </ul>

### 3.2 Service Delivery Challenges

There are various challenges that need to be addressed:

Service Delivery Challenges	Mitigating Action
<ul style="list-style-type: none"> <li>• Growth in city increasing densities in areas as well as new development areas to be included</li> <li>• Low participation rate in recycling initiatives such as Separation@Source</li> <li>• Recovery after illegal work stoppage</li> </ul>	<ul style="list-style-type: none"> <li>• Optimisation of services to take place such as round balancing to ensure best use of existing resources to deliver services to all areas.</li> <li>• Various initiatives are being considered such as legislation as well as proposed incentives. These proposals are still in the conceptual phase. In addition large scale mobilisation is required through partnerships, stakeholder involvement and education and awareness.</li> <li>• Various processes have been put in place to ensure recovery of services after the illegal work stoppage</li> </ul>

## 4 COMMUNICATIONS AND STAKEHOLDER ENGAGEMENT

### 4.1 Integrated Campaigns

#### 4.1.1 Pikitup Festive Season Waste Campaign

The Communications and Stakeholder Management Department embarked on the Festive Season Waste Campaign which was aimed at educating and mobilising residents of the City of Johannesburg and businesses on responsible waste management over the festive period. The campaign was anchored on four themes:

- Bogus Pikitup Employees
- Refuse Collection Schedule during Festive Holidays
- How to manage waste during festive seasons (promotion of Free Bulky Waste Service to curb illegal dumping)
- Recycling tips.

The rollout of the campaign was planned to be preceded by the media launch and waste dialogue. However, due to the unplanned illegal strike action by the South African Municipal Workers Union (SAMWU) affiliated workers, these elements of the campaign had to be cancelled.

##### 4.1.1.1 Internal Launch and Media Activities

The campaign was first launched internally in the organisation via a communique circulated to staff members. Subsequently, there were a number of media releases that were sent out to inform residents and businesses about the overall campaign objectives and themes.

#### 4.1.1.2 Radio Advertising

Informative and call-to-action radio advertisements were flighted in the following radio stations:

- Talk Radio 702
- Power FM
- Kaya FM
- Alex FM
- Jozi FM
- Thetha FM
- Rainbow FM, and
- VCR.

Radio advertisements for community radio stations were translated in isiZulu and SeSotho languages, respectively.

#### 4.1.1.3 Print Advertising

Key campaign messages, including the Pikitup Festive Schedule and Free Bulky Waste information, were published in the following publications:

- Daily Sun
- Business Day
- The Star, and other key community newspapers around Johannesburg.

#### 4.1.1.4 Outdoor Advertising

As part of the campaign rollout, street posters and digital advertising were conducted in major highways across Johannesburg.

#### *Examples of Street Posters*





Example of Community Print Advert

Page 6 Chiawelo Urban News, Friday, 18 December, 2015 For up to the minute news, log onto our website : [sowetourban.co.za](http://sowetourban.co.za)



**Matriculants to get their share of R20 million in bursaries**

South Africa's largest private sector employer, the Shoprite Group, is for the first time providing financial study assistance for pharmacy, accounting and retail related university and technical degrees to matriculants.

With only a few bursaries left, those who have not yet been successful in raising funds for their studies next year need to hurry as the closing date is looming.

**Lucian Peterson from Kuils River in Cape Town is a Shoprite bursary recipient who qualified as a chartered accountant and now works as a trainee divisional financial manager.**

Prospective students at universities, universities of technology and hotel schools from this year had the opportunity to apply for study bursaries from the Shoprite Group's extensive business programme in which R20 million was earmarked to provide financial assistance to students in 2016. They are urged to apply for bursaries before 12 December 2015 by visiting <http://shopritebenore.com>.

The Group has awarded more than 2500 bursaries over the past 20 years of its bursary programme, 70% of which was allocated in the past five (5) years alone as the need for student financial support became greater.

Bursaries are awarded for scarce skills programmes such as Pharmacy and Chartered Accounting, along with qualifications such as Logistics and Supply Chain Management, Information Technology, Industrial Engineering, Hospitality and Retail Business Management and Marketing.

Candidates may qualify for a bursary of up to R70 000, depending on the course of study and institution, which allows for tuition, book and accommodation fees. Each bursary granted is linked to a work back agreement with Shoprite, with career growth prospects within the Group thereafter.

In 2016, the Shoprite Group will also be sponsoring a learner from each of the Langa Educational Assistance Programme (LEAP) Science and Math School's seven campuses in Gauteng, Limpopo and the Western Cape for the year. The programme was established in Langa, but has since expanded throughout the country. With mathematics, physical science and English as compulsory subjects, LEAP provides free education to promising grade 8-12 pupils from high-need communities whilst focussing on the emotional and social development of these learners.

The Shoprite Group recognises the enormous value of investing in opportunities for young people to obtain a qualification and acquire the necessary skills for gainful employment. A consistent employment generator, the Shoprite Group currently employs more than 138 000 people with 10 000 jobs created during the previous financial year alone.

Voted the number one employer of choice in the retail industry by current students and prospective bursary holders throughout South Africa, the Shoprite Group believes that the youth's education is of utmost importance for social upliftment, economic growth and the prosperity of future generations. By providing bursaries to qualifying students, as well as educational loans and grants to its employees and their dependants, Shoprite aids and strengthens economic security and social welfare in the communities within which it trades.

The Group has already awarded 33 deserving Matriculants with study bursaries for next year. In 2015, the Group awarded bursaries to the value of almost R18 million, enabling over 310 students to equip themselves with the skills and qualifications to become future contributors of a strengthened economy.

On successful completion of their studies, pharmacy students have employment opportunities within one of Shoprite's 157 Meditec pharmacies throughout South Africa, whilst the Group's trainee management programme will aid retail business and hospitality management graduates in preparing them to become store managers.

Chartered Accountant (CA) field candidates can be placed within Shoprite's South African Institute of Chartered Accountants (SAICA) approved CA training programme to complete their internship as article clerks. The Logistics and Industrial Engineering graduates programme train managers for positions within one of the Group's 20 distribution centres, whilst the IT and Marketing Trainee programmes assist graduates to gain the necessary specialised workplace experience.

Shoprite also contributes to the SAICA's Thuthaka Bursary Fund which is specifically geared to support financially needy students from previously disadvantaged backgrounds.



**WISH LIST**

1. **Beware of bogus Pikitup employees**  
Be aware that Pikitup employees are forbidden to solicit Christmas gifts from residents. Do your bit by reporting imposters directly to Pikitup.
2. **Follow Pikitup's festive collection schedule**  
Residents are encouraged to follow the Pikitup Refuse Collection Schedule during the festive period. Find your schedule at [www.pikitup.co.za](http://www.pikitup.co.za)
3. **Reduce waste**  
Produce less waste this festive season by planning your food purchases carefully and make sure to use leftovers before they expire. You can also reduce waste by donating old toys and clothes to charity or by using our Free Bulky Waste Service. Find out more at [www.pikitup.co.za](http://www.pikitup.co.za)
4. **Recycle with care**  
The festive season is synonymous with glass bottles, cardboard boxes and other packaging materials. Do your bit by separating recyclable items for easy recycling by Cooperatives and Reclaimers.

All the City of Joburg wants this season is a chance to shine. While you are writing your wish lists this festive season, Pikitup needs you to help with theirs to ensure our city stays beautiful.

**A beautiful, well-run city starts with you.**  
[www.pikitup.co.za](http://www.pikitup.co.za)

Will you help grant us our wishes this festive season?  
Follow the conversation online by using  
**#PikitupWish**





a world class African city

#### 4.1.2 Various Clean-up Campaigns

For the period under review, CSM participated and supported various clean-up campaigns that took place in and around Johannesburg.

The department was actively involved in the clean-up-to-fix-up campaign led by the Executive Mayor, Councillor Parks Tau on 26 November 2015. The campaign took place following the trail of damage left in the wake of an illegal work stoppage embarked upon by workers affiliated to the South African Municipal Workers Union (SAMWU). The Mayor was joined by other members of various mayoral committees, the Pikitup Board and management team. Key activities carried out by the department include mobilisation of various stakeholders, logistics, branding and social media activities. Pikitup fans and followers on social media commended the Mayor and Pikitup Management on this initiative. The department also ran a series of radio live reads in some of the mainstream and community radio stations informing residents and businesses about interruptions in service delivery.

The second and last clean-up campaign was led by the MMC, Councillor Mfikoe, and took place in various regions of the City of Johannesburg with Alexandra Township being the official launch area for the campaign. The clean-up day took place on 5 December 2015. The department took care of media activities, logistics, branding, advertising, social media, photography and filming services. Approximately 200 community members attended this particular clean-up campaign.

#### *Clean-up campaigns in pictures.*





## 4.2 Communications Report

### 4.2.1 Electronic platforms

For the period under review, the activities to revive electronic communication platforms included the following:

#### 4.2.1.1 Launch of the Pikitup Website

The new Pikitup website ([www.pikitup.co.za](http://www.pikitup.co.za)) went live to the public on 6 November 2015. The website was revamped to achieve a more visually appealing and user-friendly functionality. The new site has many innovative features including an application, where stakeholders can register as customers for easy access to Pikitup's services. The website also includes a Round Collection Refuse (RCR) calendar and a section for the latest updates on Pikitup news.

The new website was publicised through social media (Facebook and Twitter) and by engaging with stakeholders through email.



### 4.2.2 Internal Communications

#### 4.2.2.1 MD's Roadshows

For the period under review, the MD and Pikitup Management visited seven Depots, i.e. Midrand, Roodepoort, Selby, Norwood, Diepsloot Buy Back Centre, Waterval and Central Camp depots.

The MD provided feedback to some of the key issues that had been raised during the initial round of depot visits which pertained to:

- Housing subsidies for staff
- Transport to funerals
- Further education for Depot staff
- Overtime and payslips
- Jozi@Work programme.

### 4.2.3 Crisis Communication on Strike

Following the unprotected strike action, which started on 23 November 2015, the Communication and Stakeholder Management deployed various tactics to advise relevant stakeholders about disruptions in service delivery as a result of unplanned work stoppage by some members of Pikitup's staff affiliated to SAMWU.

Information dissemination included compiling media releases; media advisories; and community notices notifying the media and stakeholders regarding interruptions in refuse collection; informing striking workers about the court interdict and inviting media to the Clean-up-to-Fix-up clean-up day led by the Executive Mayor.

**Internal Communication:** Internal communiques were sent to employees to notify them of developments in the strike.

**External Communication:** Information and communication regarding the strike used multiple platforms including the Pikitup website; the City's website; the City's Call Centre.

**Social Media:** Facebook and Twitter messages were regularly sent to update the public on the strike and on refuse collection arrangements.

**Stakeholder Engagement:** Messages were sent to various stakeholders including councillors and resident's/ratepayers' associations.

**Media:** Media coverage included mainstream television, radio, newspapers and online news channels, and community radio; local community radio stations and newspapers. Interviews on the strike and contingency arrangements being undertaken by Pikitup were flighted in radio stations Talk Radio 702, SAFM and Power FM. There were also interviews featuring the Clean-Up-to-Fix-Up campaign led by the Executive Mayor which were featured in television stations SABC, ANN7, Soweto TV and radio stations Jozi FM and Power FM. Newspapers The Star, The Citizen, New Ag and News24.com also covered the interviews on the mayor-led campaign.

Adverts/Live Reads were flighted in the following media channels:

- Jozi FM
- Alex FM
- Thetha FM
- Rainbow FM
- Power FM
- Kaya FM
- Talk Radio 702.

For the period 1 June to 23 November Pikitup generated moderate media presence, which to a larger extent was favourable for the organisation. However, when the unprotected strike commenced in November, Pikitup as a result of the South African Workers' Union (Samwu), led to an increase in media coverage. The figures below indicate how the months of November and December produced highest number of media figures. However, the same months had a high frequency of negative media mentions. This was because of the negative elements associated with the strike mainly the assault on the red ants; acts of intimidation and police behaviour. Outside these incidents, the coverage of the strike had been neutral or balanced.

Month	Frequency	Positive	Neutral	Balanced	Negative	AVE
December	212	39	9	25	139	R 3 159 076
November	219	26	13	17	163	R 3 863 411
October	35	18	8	-	9	R 511 708
September	34	18	9	-	7	R 829 971
August	19	5	3	1	10	R 404 081
July	28	16	4	-	8	R 715 227
June	57	30	13	-	14	R 697 079
<b>Total</b>	<b>604</b>	<b>152</b>	<b>59</b>	<b>43</b>	<b>350</b>	<b>R 10 180 552</b>

### 4.3 Marketing Events

For the period under review, the department handled a number of corporate and staff events, as follows:

#### 4.3.1 International Health and Science Week 2015

Sci-Bono Discovery Centre invited Pikitup to participate as an exhibitor and presenter at the International Health and Science Week held on 19 – 23 October 2015. The Communication and Stakeholder Management Department delivered informative sessions and raised awareness and learner understanding around issues of environmental health and recycling.

The Marketing Unit provided support in the form of an exhibition and engaged with more than 5 000 learners over the 5-day period.

#### *Science Week in pictures*



#### 4.3.2 The 7th Edition of Africities Summit

The City of Johannesburg in partnership with the Department of Cooperative Governance and Traditional Affairs, the South African Local Government Association and the South African Cities Network, hosted the 7<sup>th</sup> Edition of Africities Summit at the Sandton Convention Centre on 29 November to 3 December 2015. The Africities Summit gathers Africa's local authorities and is organised every three years by United Cities and Local Governments of Africa (UCLG Africa). The Africities Summit affords local governments in Africa an opportunity to evaluate and contemplate on local government issues in the continent.

The theme for 2015 was ***“Shaping the future of Africa with the people: the contribution of African Local Authorities to Agenda 2063 of the African Union”***. Some of the topics discussed

related to Environment issues, Sustainability, Food and Resource Resilience, Governance, Transport, Town Planning and Health.

Pikitup Marketing joined other municipal entities to provide awareness on its mandate among the delegates. The unit organised an exhibition stand to facilitate information sharing and interaction with some of the 5 000 delegates who attended the summit.

### ***Africities Summit in pictures***



### **4.3.3 Head Office relocation**

The Pikitup Head Office Relocation Project has been one of the successful strategic projects as it was given a very brief period, but due to a well-planned relocation project plan and collaboration of all relocation team members who were involved, who brought team spirit, enthusiasm and commitment it lead to a very successful relocation.

#### **The following phases lead to the effective move:**

- Relocation Consultation was done successfully to the entire head office staff
- Each department had to send a willing staff member/s to be trained as change agents.
- Relocation workshop which included structural outlays and change management interventions was conducted, attendance was 98 % as all categories of staff attended.
- Vigorous communication plan was implemented and different channels was used. Count down started 30 days before the move which made staff to be excited.
- Focus group workshops was a stamp to highlight new aspects in the new building and check whether the staff was not into any denial or resistance which could affect them negatively.
- Continues Relocation Committee meetings which encouraged the committee members to engage with the entire staff more especially Change Agents.
- Change Agents played a very vital role as they were the core team to clear miscommunication, rumours or any relocation challenges.
- Change Agents were also responsible for overseeing that all boxes are labelled as per the agreement.

## Opening of new Head Office in pictures



MMC Mfikoe

Opening Function

Best Hats



## 4.4 Social Media Activities

For the period under review, both Facebook and Twitter accounts saw a substantial increase in the number of fans and followers. Facebook fans are currently sitting at 23 909 from 23 831 and Twitter followers at 9 362 from 7 824, respectively.

The period started on a positive note with both platforms receiving good feedback from the Separation@Source Volunteer Brigade training session that happened in Soweto. The audience retweeted, shared likes and generally commented on their acknowledgement and approval of this initiative. Another initiative that received good feedback was the announcement of Pikitup's new website.

However, the sentiment changed into a negative one when RCR service delivery delays were experienced in most of the depots areas. This was aggravated by the unplanned strike action which has resulted in residual waste and Separation@Source bags not being collected throughout the duration of the strike. The social media audience raised their dissatisfaction about this disservice.

Herewith are some of the main themes ran by the department during the period under review:

- Separation@Source Volunteer Brigade Training Session
- Pikitup illegal strike action
- Resumption of the refuse collection schedule following illegal strike action
- Festive Wishlist Campaign (#PikitupWish)

## Social Media Highlights



### 4.5 Education and Awareness

#### 4.5.1 Training of 320 Community Volunteers to increase participation in Separation@Source programme - October 2015

The focus in the second quarter was to increase participation in the Separation@Source initiative through training community volunteers and advancing education and awareness through door-to-door campaigns and schools outreach.

In Eldorado Park, Pikitup trained selected 320 door-to-door volunteers from a group of 600 to help curb illegal dumping and increase participation in the Separation@Source programme. The group will be visiting households, with Pikitup providing guidance and support, to encourage them to meaningfully get involved in the Separation@Source programme.



#### 4.5.2 Environmental Education Awareness in Ennerdale schools - 28 October 2015

An environmental education and awareness initiative in support of the Separation@Source programme was carried out successfully at both St George (**1 000 learners**) and Spectrum Primary Schools (**1 300 learners**). In total, 2 300 learners benefitted from the presentations on the Separation@Source programme. The two schools each received four sets of recycling bins.



#### 4.5.3 Environmental Education Awareness, Door to Door & Clean-up in Region D, Ward 33

In partnership with Ukhamba Environmental Forum, a one-day workshop was held for the community of Ward 33 on environmental education and awareness on 27 October 2015. This was followed up by a door-to-door campaign on the 28 October 2015 and a clean-up campaign on 29<sup>th</sup> October 2015. There were 120 community members who attended the workshop, with 97 taking part in the door-to-door campaign and 145 taking part in the clean-up campaign held on the 29<sup>th</sup> October 2015.



#### 4.5.4 Eldorado Park Environmental Festival in support of the World Food Day and Eradication of Poverty through art from waste

In partnership with **Go Green and Clean** (Environmental Forum in Eldorado Park), children were taught and encouraged to produce toys out of waste for a living. The toys produced included board games, home decoration items and recycling games. Other activities included creating pots for vegetable seeds, vegetable planting, face painting, music and entertainment instruments, promotion of environmental education and campaigns in the community as well as messages for World Food Day and Eradication of Poverty. In total, 250 people, who were mostly children, participated in the festival. Pikitup donated 50 green t-shirts.





#### 4.5.5 Earth Science Week

The Earth Science Week is an international campaign encouraging young people and the public to learn about the natural processes that shape our planet over time.

For the third time, Sci-Bono Discovery Centre warmly invited Pikitup and other takeholders to participate in **Earth Sciences Week** that took place at the centre from **19 – 23 October 2015**. Pikitup conducted classroom based presentations to 60 learners X 3 per day over five days. About 22 schools benefitted from Pikitup’s environmental Education and Awareness programme. In total, 900 learners from 15 different schools benefitted from the classroom presentations while 2066 visited the Pikitup stand over 5 days. The grand total is **2 966 learners** that interacted with Pikitup over a period of 5 days.

#### *Science Week in pictures*





## 4.6 Stakeholder Engagement

### 4.6.1 Wastecosmart European Delegation visit

Pikitup hosted a European delegation visiting South Africa to obtain a better understanding of the country's waste management practices from 2-3 November 2015. The visit consisted of a day of site visits to Pikitup recycling, buy-back and landfill facilities. In the next day, a seminar was held to exchange knowledge on South African and European practices on waste management. There were 14 delegates from Europe representing academia, industry and research institutes. Contemplations for partnerships or collaborations with their European colleagues as well as South African counterparts present in the interaction session were raised in a full report. For ease of reference, the recommendations are tabulated below as follows:

INSTITUTION	ISSUE OF POSSIBLE PARTNERSHIP OR COLLABORATION
University of Central Lancashire; CSIR; Free University of Amsterdam	Research partnership/collaboration with the Research Department pertaining to the research priorities of Pikitup outlined during the session as well as other opportunities for joint studies.
University of Central Lancashire	Research/knowledge exchange partnership. Dr Karl Williams, Head of Centre for Waste Management from the University of Central Lancashire expressed interest for a collaborative knowledge sharing partnership with Pikitup. This would include allowing researchers from the university to access Pikitup waste management sites and for information on some of Pikitup's

INSTITUTION	ISSUE OF POSSIBLE PARTNERSHIP OR COLLABORATION
	programmes.
Wastecosmart group members and Pikitup	European study tour. A reciprocal learning visit by a Pikitup delegation to embark on a similar international mission for site visits/knowledge exchange to a selected European country or countries.
Wastecosmart group members	Individuals from the European delegation could be invited to participate and/or present papers in next year's Waste Summit
Municipality of Sundyberg, Sweden	Possible staff exchange programme to learn on local government waste management practices

#### 4.6.2 Proudly South African Campaign Draft MoA

Pikitup hosted a delegation of Proudly South African Campaign senior management including its CEO Leslie Sedibe on 23 November 2015. The delegation visited various Pikitup sites in order to gain a better understanding of Pikitup's waste management approaches. The Proudly South African campaign study further provided impetus for the two organisations to contemplate collaborations and partnerships. A Cooperation and Teaming Agreement between Proudly SA Campaign team and Pikitup is in the draft stages. If formally ratified, the agreement will see the two organisations collaborating on various fronts such as consumer education on waste management as well as the training of informal and formal waste management entrepreneurs.

## 5 WASTE MINIMISATION

Table 5-1: Progress on Diversion of Waste (tonnages per waste stream)

Waste Stream	2014/15	2015/16 Waste Diversion Performance (tons of waste)						
	Actual	Q1	Q2	Q3	Q4	Ytd Total	Annual Target	% of Annual Target
Green waste	35 148	12 460	12 964			25 425	60 000	42%
Builders rubble	25 059	43 102	16 752			59 854	50 000	120%
Dry waste	20 808	11 565	9 138			20 703	60 000	35%
Food Waste		0				0	10 000	0
<b>Total</b>	<b>81 015</b>	<b>67128</b>	<b>38 854</b>			<b>105 983</b>	<b>180 000</b>	<b>59%</b>

### 5.1 Separation at Source

A review of the Memoranda of Understanding (MOUs) with the cooperatives assisting with S@S in participating depots was undertaken with the aim of strengthening Pikitup's oversight over the work performed by these cooperatives. The MoUs are expected to be extended in the next quarter.

In addition, a successful capacity building drive was experienced with the cooperatives. GDARD sponsored training for six of the neediest cooperatives on financial management and project management. Two of the cooperatives participated in the JP Morgan challenge while the LG SETA

registered all the cooperatives for training on various modules. A fully fledged training facilitated by the LG SETA will be undertaken in the next quarter.

The S@S Private Sector partnership tender was evaluated. Adjudication and appointment is expected in the next quarter.

**Table 5-2: Dry Waste tonnages diverted Table**

Depot	No of Households	DRY WASTE DIVERTED (tonnages)				YTD Total
		Q1	Q2	Q3	Q4	
Waterval	67 318	1183	1020			2203
Zondi	105 116	660	588			1248
Midrand	46 535	401	393			794
Orange Farm	45 920	147	117			264
Central Camp	54 783	120	66			186
Marlboro	80 129	557	415			972
Southdale	69 438	331	318			649
Selby		1138	1204.1			2342.1
Randburg	17000	30	42			72
Garden sites		1154	670			1824
Landfills		5634	3734			9368
Jozi@Work Zondi		163	339			502
Jozi@Work Avalon		24	126			150
Jozi@Work Selby						0
Schools		23	101			124
REDISA		0	5			5
<b>TOTAL</b>	<b>486 239</b>	<b>11 565</b>	<b>9 138</b>			<b>20 703</b>

**Table 5-3: Participation Rate in Separation@Source**

ESTIMATED PARTICIPATION RATE					
Depots	Tot H/holds in Area	Q1	Q2	Q3	Q4
Waterval	67,318	48.81%	42.09%		
Zondi	105,116	19.95%	15.54%		
Diepsloot	46,535	23.94%	23.46%		
Orange Farm	45,920	8.89%	7.08%		
Central Camp	54,783	6.08%	3.35%		
Marlboro	80,129	19.31%	14.39%		
Southdale	69,438	13.24%	12.72%		
<b>Total</b>	<b>469,239</b>	<b>21%</b>	<b>17.27%</b>		

## 5.2 Food for Waste

In this quarter the Food for Waste Programme was extended to Alexander in partnership with the Departments of Social Development and Environmental Health as well as GDARD. Five sites were identified and three were cleaned and prepared. A total of one hundred and nine (109) beneficiaries were registered and trained for the programme at these sites.

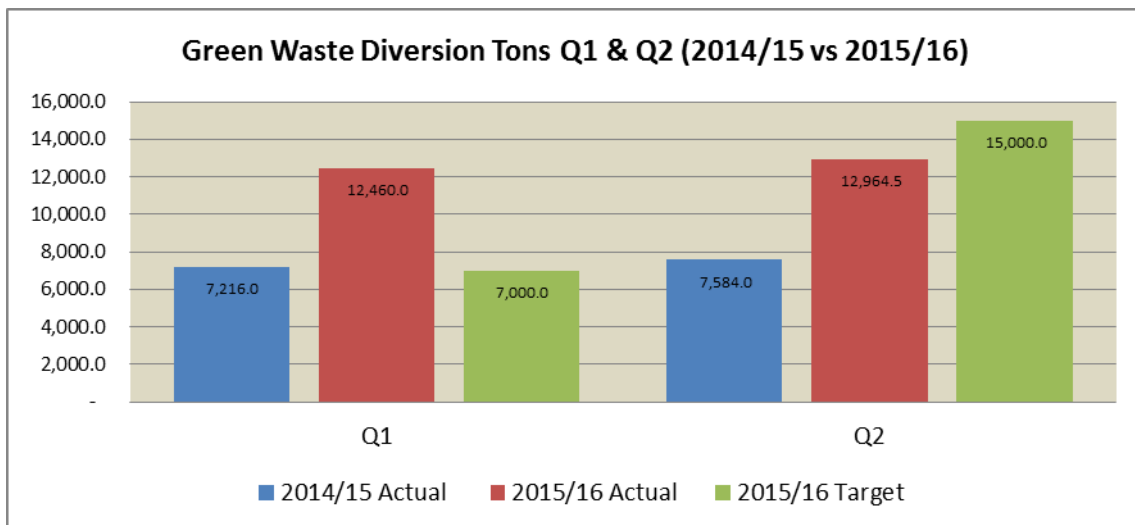
In addition, beneficiaries in Lenasia were offloaded from the formal programme and are being assisted by the MmaTshepo Foundation (this is a partnership emanating from the Green Waste partnership with the Grass Factory), DTI and the Department of Social Development to take the Food Gardens initiative forward as fully fledged established cooperatives.

## 5.3 Green Waste

The diversion of green waste through the partnership with private sector is progressing well. Although the Q2 target was not achieved due to an unusually hot and dry spring season and the labour unrest in the November to December period, it is worth noting that the year to date tonnages are still ahead of target with an achievement of 25 425 tons against a target of 22,000 tons.

Below is a graphical representation of the comparison of Q1 and Q2 performance versus target and also versus 2014/15 achievements.

**Figure 5-1: Comparison of Quarterly Performance versus 2014/15 and 2015/16 targets**



## 5.4 Builder's Rubble

During the first quarter and second quarter of 2015/2016, Pikitup has diverted 43102 and 16 752 tons of builders' rubble away from the landfill respectively. The combined builders rubble diversion for the 1st and 2nd quarters of 2015/16 is 59 854 tons, which is 120% of the yearly diversion target of 50 000 tons. Therefore, the yearly target of builder's rubble diversion has been exceeded by 20% in the first half of the year.

**Figure 5-2: Builders' rubble crushing at Robinson Deep landfill**



### **5.5 Health Care Risk Waste**

A request for proposals (RFP) for the execution of a feasibility study for the new health care risk waste facility at the Springfield landfill was undertaken during 2014/2015 financial year. The feasibility study was concluded in September 2015, and the key recommendation is that Pikitup should not re-enter the health care risk waste treatment market. However, the land at Robinson Deep landfill could be leased to the current players to implement a health care risk waste facility. The report was tabled to the Service Delivery and Operations Committee for consideration. Pikitup EXCO and the Service Delivery and Operations Committee agreed with the recommendation that Pikitup should not pursue the HCRW market further.

### **5.6 Food Waste**

The food waste diversion from landfills initiative involves the production of Biogas from food waste from the Johannesburg Fresh Produce Market as well as food waste from Pikitup's Dailies collections.

The project is currently championed by the EISD, with Pikitup, Joburg Fresh Produce Market, Joburg Water, DED and Johannesburg Parks and Zoo playing supportive roles.

Progress on this project is that the University of Johannesburg has been appointed to undertake a feasibility study on the biogas production from food waste collected from Joburg Fresh Produce Market and from dailies waste managed by Pikitup. Joburg market food waste and the RCR waste has been characterised so far. This will be followed by the characterization of the dailies and biogas production potential tests in January 2016.

Depending on the outcome of the feasibility study a decision will be recommended by the Project Steering Committee on the appropriate model for the construction, ownership and operation of the bio-digester. The outcome of the feasibility study is due in January 2016.

## 6 JOZI@WORK

As at the end of December 2015 the J@W programme as administered and managed by The Waste Group Projects has appointed 25 Cooperatives and recorded job creation numbers as follows: 373 jobs in Region D, 210 in Region G, 180 jobs in Region F (Hillbrow and Joubert Park), 140 jobs in Region C and 100 jobs in Region E (Alexandra). Thus since the inception of J@W a total of 1003 jobs have been created.

The implementation of the programme is not without challenges. Just as the J@W operations in the Regions were stabilising, J@W teams were hit by the Pikitup strike that has unfortunately taken us back and of course it also affected J@W operations. This has led to the accumulation of illegal dumps wherein additional resources had to be brought in to recover from this backlog. Although the J@W entities were not on strike, they were however intimidated by the striking Pikitup workers. Random site visits and visits to the entities were also done throughout the quarter to verify the information supplied by the entities and to get first -hand experience of the programme implementation by the service providers. There has been a significant increase in residents participating in the separation at source programme.

The implementation of the programme is not without challenges:

- REGION D: The entities in the Jozi at Work Region D programme have been in operation since May and have now gone for post the halfway mark of the 12 month duration of the contract. All the activities, namely street sweeping, litter picking, separation at source, as well as education and awareness are now in full swing.

### Workers Separating Waste into various Waste Streams at Sorting Facility



### Spot that was Illegal Dump (insert) converted into Flower Garden





The entities/coops also had an awareness campaign on 30 November 2015, where they hosted a clean-up campaign and engaged the community on waste management issues.

**Community Engagement**



**Tree Planting**



**Awareness Campaign**



**Spot Converted Into Community Garden**



- REGION G: Region G has been visited quite frequently by the Executive Mayor and the Regional Director and that has been an extra push to boost the performance of the entities in the area.

A few challenges were discovered in the process and a joint committee composed of Pikitup and the CSA was formed to tackle these. The theme of the months to come is the rehabilitation of all illegal dumping spots with the help of Pikitup. Awareness campaigns have become more frequent than they were before, in the month of November two entities, namely Goqumkhono and MKSR launched their first awareness campaigns. Kliptown dump spots has shown significant improvement (prior to the PIKITUP strike), and participation from the community increased as they are now bringing out their waste in the plastic bags that's provided for them. What makes this so significant is that in the past, the community was just dumping recklessly and the wind would blow their waste all over Kliptown.

## Rehabilitation of Dumping Sites

Before



After



## Community Awareness Campaign



Pikitup strike has been violent for certain entities such as Integrated Construction Contractors in Kliptown whose truck was stoned. The two-week strike has had a severe impact on operations since all landfill were closed during the process and many times the workforce was turned away due to threats from the Pikitup staff.

- REGION C: The areas covered by J@W for Region C includes: Bramfischerville (Wards 44 & 49), Doornkop & Tshepisoeng. The strike had a major impact on coop service delivery but the backlog has been addressed.

There were reports from employees complaining about snakes on site especially illegal dumping sites near the dams and streams.

One of the coops has taken the initiative to work an hour less every day of the week in order to have 5 hours over the weekend where the entity could attend to funeral and parties in their area. This strategy is a way for them to achieve high levels of recyclables. Though the entity still is struggling to get their sorting station, this strategy will prove fruitful in the future.

## Education and Awareness in Region C



**Bramfisherville Before**



**Bramfisherville After**



- REGION E: Region E roll out of J@W is in the Greater Alexandra and it includes RCR, street cleaning, S@S and awareness and education. The J@W programme implementation in Alex has never been easy. A lot of meetings were held with the RD, RM including several meetings with the Councillors culminating in one on one meetings with designated Councillors to mitigate the implementation of this programme. After these one on one meetings some Councillors gave us the green light to go ahead while others were still consulting. Three of the recommended coops have started in wards 32, 116 and 76.

After the coops had recruited people using the social development database for Alex and after some PPE were delivered, the Councillors insisted on restarting the recruitment process as they believe they have a role to play. It was decided that we have one on one meetings with Councillors to facilitate a buy in on individual basis. This strategy seems to have worked to some extent. We can now safely say that we will deploy 80% of the coops on the ground by the 2<sup>nd</sup> of January 2016.

- REGION F: Two Cooperatives were appointed for Joubert Park and Hillbrow. The cleaning programme is a 30 days, day and night shift activity. The ANC Youth League continued to interfere with service delivery in the area. There are number of streets that have no working lights and this makes working difficult for the Coops. During the week end of 19 December 2015 Coop members resumed their night shift duties as normal but were attacked by Pikitup striking workers.

On Sunday 20 December 2015 the CSA deployed additional resources at their cost to normalise the situation in the Inner City but that created tension with the coop employees and

members of community who wanted their own people from the area to be employed. The additional resources had to be withdrawn leaving the Inner City with a backlog but this has since been resolved.

**Hillbrow 16 December 2015 Before**



**Hillbrow 16 December 2015 After**



**Hillbrow 19 December 2015 Before**



**Hillbrow 19 December 2015 After**



**Hillbrow 21 December 2015 Before**



**Hillbrow 21 December 2015 After**



## 6.1 Training and Education

The key focus during this quarter was on waste management and hence Unit Standards within this sector have been selected to upskill the members of the entities and the personnel engaged. The focus was on three waste management Unit Standards from Environmental Practice Level 2 that is accredited by the LGSETA, namely:

- 119555: Separate, Handle, Store, Treat and Transport waste (9 credits), categorised as Module 1 in the current training plan
- 119556: Use tools and operate equipment in an environmentally friendly manner (10 credits), categorised as Module 2
- 119557: Operate Waste Disposal Facilities (6 credits), categorised as Module 3

The duration per training module has been allocated according to the SETA rules of 30% Classwork (formative assessment) and 70% practical and assignments (Summative assessments). Module 1 & 2 training has been conducted in Regions D & G – 16 entities and 64 learners, with classroom contact, practical sessions and assignments leading to assessment conducted for module 1, whilst the teams are currently busy with their summative work for module 2. Region C has been taken through module 1 thus far with 4 entities and 16 candidates. The 3 team Leaders for Education & Awareness, An evaluation of the theory absorbed in class has been conducted through workplace practical sessions and observation checklists were used to assess the candidates' knowledge and practical application. The initial assessment conducted led to some candidates being given special attention for assistance and rewriting their classwork and assignments. The SETA requires that in cases where performance by learners is not good for whatever reason, the service provider has to allow 3 chances for the learners to improve their work in view of bad performance.

A total of 6 mentorship workshops have been executed during this period for Regions D & G, including the induction workshop for Region C.

### Classroom Education



### J@W Awareness Campaign



## 7 WASTE MANAGEMENT OPERATIONS

The Pikitup Operations Unit is responsible for ensuring that service delivery pertaining to municipal solid waste services is undertaken throughout the CoJ jurisdiction area. This section therefore covers the service delivery activities for the period under review, the 2<sup>nd</sup> Quarter of 2015/16 Financial Year, starting from October to December 2015.

### 7.1 Basic Service Delivery Performance

Illustrated by the table below are consolidated waste tonnages which were collected during the period under review. Depicted hereunder is an increase of 7 599 tons between Quarter (Q1) and Quarter 2 (Q2) of 2015/16. The tonnage increase represent a waste generation increase of 2.2%. This increase can be attributed to seasonal waste generation patterns, and in some activities especially illegal dumping, the increase may be as a result of the strike action that took place in November/December 2015. During this period residents opted to use open spaces and garden sites precincts to decant their overflowing 240 litre bins.

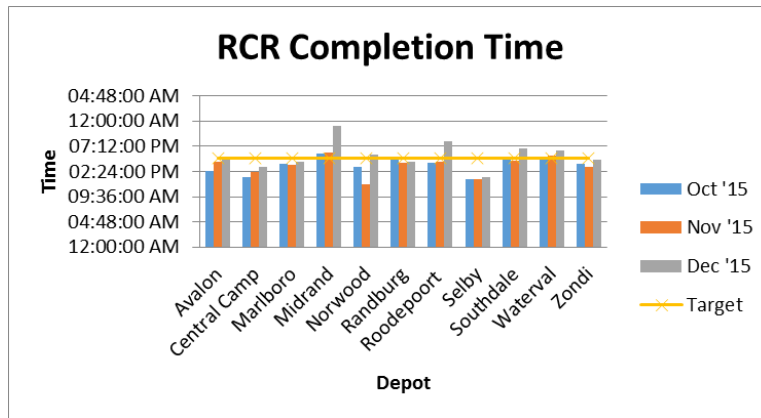
**Table 7-1: Total Tonnages of Waste Collected by Pikitup (per activity)**

Waste Disposed Per Activity	Total for 2013/14	Total for 2014/15	2014/15	2015/2016		
			Quarter 4	Quarter 1	Quarter 2 <sup>1</sup>	YTD Total
RCR	646 019	741 967	189 066	195 416	176 477	371 893
Street Cleaning	87 135	111 820	29 850	31 991	30 402	62 393
Illegal Dumping	229 709	276 806	82 201	69 059	99 474	168 533
Hostels	825	2 852	1 173	941	746	1 687
Informal Settlements	29 629	40 367	11 467	9 061	8 843	17 904
Garden Sites	132 110	145 429	38 209	38 913	37 038	75 951
<b>Total</b>	<b>1 125 427</b>	<b>1 319 241</b>	<b>351 966</b>	<b>345 381</b>	<b>352 980</b>	<b>698 361</b>

During the last week in November and the first week of December 2015 all operational activities were interrupted by an illegal strike action which had an adverse effect on the waste services in its entirety. Therefore depots scheduled activities such as RCR rounds were not completed at all during the two weeks of strike. However rudimentary private sector services were involved to address some of the backlog. The effect of the strike is depicted here below, where the following depots: Midrand; Roodepoort; Southdale and Waterval completed their rounds beyond the targeted time of 17h00 during the period under review.

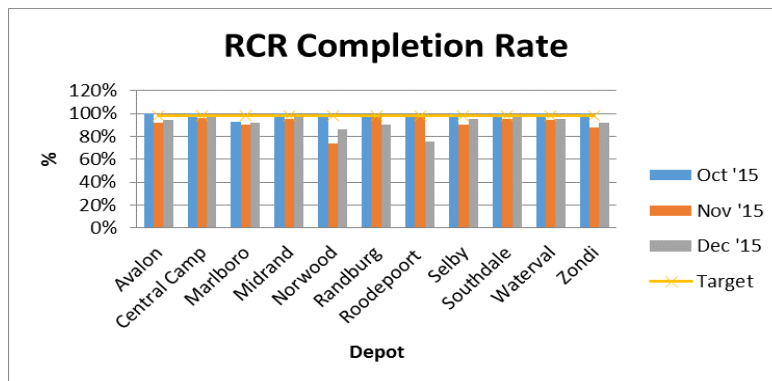
<sup>1</sup> It should be noted that waste tonnage adjustments may be effected in the next reporting cycle as not all data has been captured and verified at the due date of this report

**Figure 7-1: RCR Completion Time**



The completion rate figure below illustrates that all depots were unable to complete their rounds within the 98% target, due to the strike action.

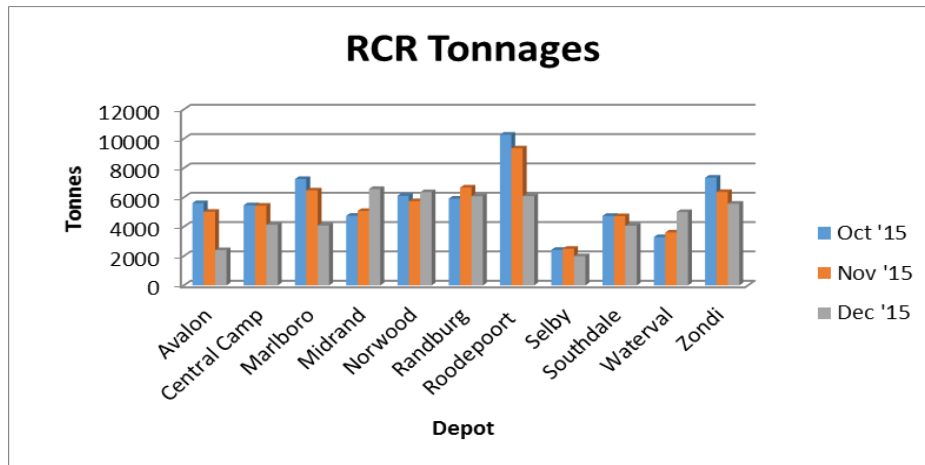
**Figure 7-2: RCR Completion Rate**



The average completion rate during the period under review in relation to all the Depots was 95% which is less than the targeted 98%. It is acknowledged that on any given day where ever a bin is not collected due to the non-completion of the round; such bins are incorporated in the following day's schedule. In an event where rounds are not completed by Friday of any given week, Saturdays are utilised to clear the backlog.

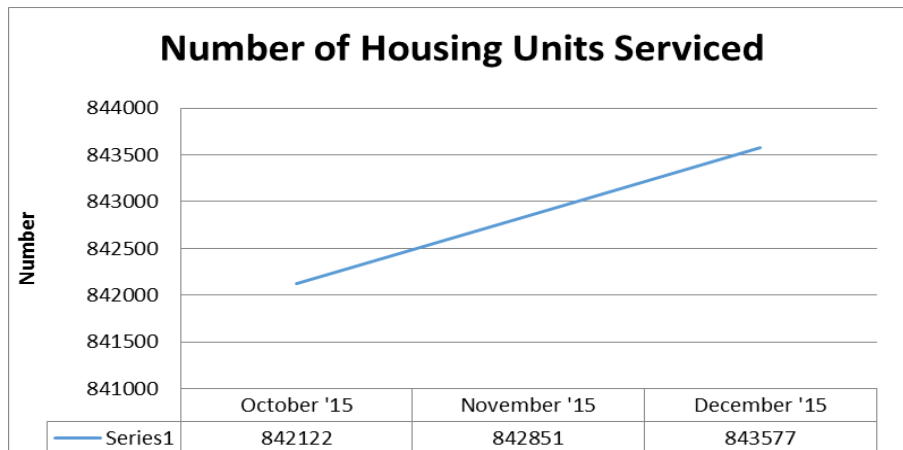
Round Collected Refuse (RCR) remains the core activity of Pikitup and a total of 176 477 tons were collected during the period under review. This is a decrease 9.7% from the 195 416 tons collected in the first quarter.

Figure 7-3: RCR Tonnages



Pikitup provides a waste collection service to 843 577 houses to date. This constitutes 0.35% growth of houses serviced during the period under review.

Figure 7-4: Service Points



It should be noted that this increase is managed with the same resources and that no additional staff or vehicles (compactors) have been allocated to cater for the increase in housing units, however re-fleeting is being undertaken to ensure a stable and reliable fleet complement. However, additional resources (manpower and equipment) were employed during the strike to reduce the backlog of waste to be collected on recovery.

There were a total of 7 479 240 bins delivered to customers within the period under review. Of these, new services accounted for 39.4%, whilst additional bins accounted for 4.5%, damaged bins that were replaced accounted for 26% and stolen bins that were replaced accounted for 30.1% of the 240 bins that were issued during this quarter. The majority of new bins were rolled out to formalised areas such as Kaalfontein, Diepsloot and Ebony Park in Midrand. It should be noted that of the total of 7 479 bins issued during the quarter 56.1% accounts for replacement bins (damaged and stolen).



**Table 7-2: Bins Issued**

Depot	Number of Bins Issued												Total
	Oct '15				Nov '15				Dec '15				
	New	Additional	Damaged	Stolen	New	Additional	Damaged	Stolen	New	Additional	Damaged	Stolen	
Avalon	95	10	60	179	15	0	14	31	4	2	47	108	565
Central Camp	1	5	145	135	3	4	84	79	0	0	89	65	610
Marlboro	582	22	13	13	37	6	5	8	50	7	14	4	761
Midrand	327	1	1	1	450	1	6	1	480	8	10	3	1289
Norwood	20	34	73	59	21	19	54	90	11	41	53	112	587
Randburg	40	7	58	32	18	25	6	5	66	4	14	14	289
Roodepoort	173	27	179	92	71	4	148	52	21	2	113	92	974
Selby	17	3	30	38	17	11	25	5	13	8	28	15	210
Southdale	137	12	116	84	20	5	41	59	28	5	55	89	651
Waterval	36	44	53	128	48	4	43	79	13	5	26	139	618
Zondi	83	1	202	234	29	0	71	99	23	0	68	115	925
<b>Total</b>	<b>1511</b>	<b>166</b>	<b>930</b>	<b>995</b>	<b>729</b>	<b>79</b>	<b>497</b>	<b>508</b>	<b>709</b>	<b>82</b>	<b>517</b>	<b>756</b>	<b>7479</b>

## 7.2 Inner City

The average cleanliness levels achieved in the Inner City, during the quarter under review is level 2.

*The table below depicts cleanliness levels attained in the Inner City during the period under review.*

Quadrant 1	Level	Quadrant 2	Level	Quadrant 3	Level	Quadrant 4	Level
Bertrams	2	Hillbrow	2	CBD	2	Braamfontein	1
Doomfontein	2	Berea	1	Joubert Park	2	Newtown	1
Troyeville	2	Parktown	1	Jeppesstown	2	Fordsburg	2
Malvern	2	Yeoville	2	City Suburb	2	Marshalltown	1
Jeppesstown	2			Marshalltown	1	Selby	1
<b>Average</b>	<b>2</b>		<b>2</b>		<b>2</b>		<b>1</b>

In light of the level 2 cleanliness that has been attained for the quarter under review, partly as a result of the illegal strike action, recovery action plans have been implemented to ensure that level 1 cleanliness is attained in all four quadrants. These plans include the following:

- Additional resources from private contractors (personnel and equipment) to address the backlog.
- Community cleaning through the Jozi @ Work service delivery model in the Inner City is currently being implemented.
- Revised shift patterns to ensure continuous cleaning 24/7.
- Additional infrastructure of skips; street bins; etc.
- Increased collaboration with both formal and informal traders.
- Partnership with various stakeholders including JMPD and the CIDs.
- A stronger focus of management and supervision which included the introduction of Rangers to support the educational function.
- Focus on separation at source was introduced at the JOSHCO buildings.
- Improvement of monitoring and photometric evidence of the cleanliness levels.

### 7.3 Informal Settlements

Provision of the waste management services at the informal settlements is aligned to Sustainable Human Settlements priority. Access to the waste management service has a substantive positive impact at varying degrees at different settlements.

The cleaning program packaged for informal settlements has been configured as an all-inclusive refuse removal package that consists of the following activities:

- Round Collection Refuse (RCR);
- Street Cleaning; and
- Removal and Clearing of Illegally Dumped Waste.

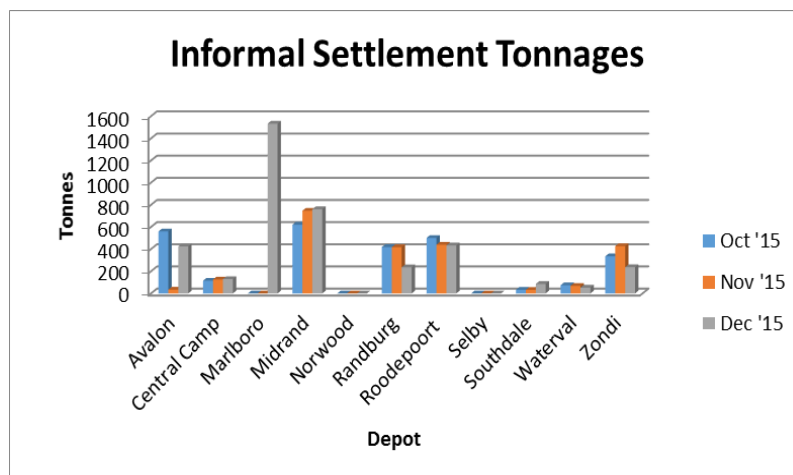
The above indicated activities are conducted on a daily basis, five days in a week, from Monday to Friday. There are however informal settlements that receive a one day per week service. These are typically formalised settlements that have been issued with 240l bins, and smaller settlements (less than 500 units) than those on a five day cleaning program.

Pikitup covers **164** informal settlements consisting of **183 895** units with some elements of backyard dwelling. This represents all the informal settlements in the City, with some upgraded to formal residential areas (RDP housing) and some located at private properties, serviced privately.

**Table 7-3: Informal Settlements Waste Service**

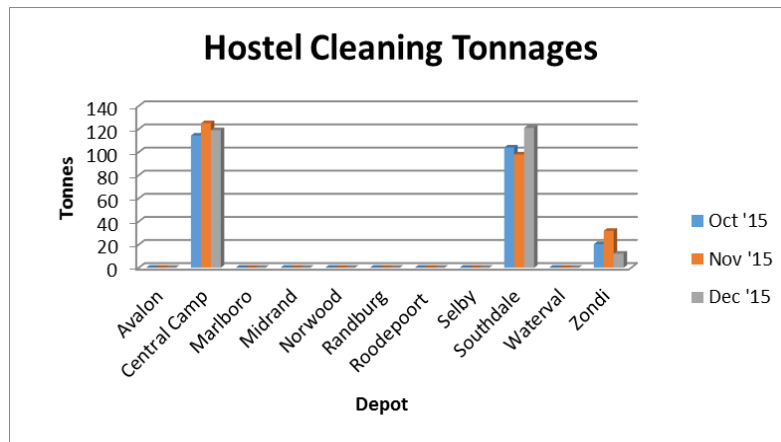
DEPOT	UNITS	NUMBER OF SETTLEMENTS	LEVEL OF CLEANLINESS	SERVICE TYPE & INTERVALS
Avalon	27 054	25	3	Plastic bags/Litter picking/Illegal Dumping clearing – Daily Skips are placed at strategic areas and serviced daily 240l bins are issued to formalised areas such as RDP housing and serviced as RCR
Central Camp	9 215	10	3	
Marlboro	18 586	18	3	
Midrand	51 148	42	3	
Randburg	23 195	13	3	
Roodepoort	26 007	26	3	
Southdale	5 120	5	3	
Waterval	7 300	5	3	
Zondi	16 270	20	3	
<b>TOTALS</b>	<b>183 895</b>	<b>164</b>		

**Figure 7-5: Informal Settlement Tonnages**



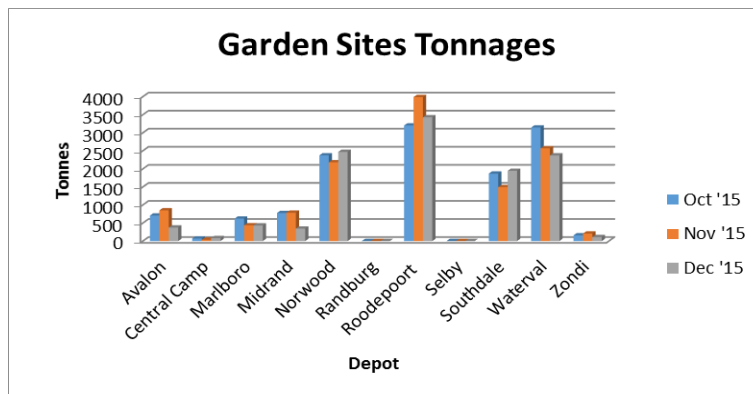
A total of 8 843 tons was removed from the informal settlements compared to 9 061 removed in the previous quarter. The decrease is owed to seasonal waste generation patterns.

**Figure 7-6: Hostel Cleaning**



There are 22 hostels within the CoJ where cleaning activities such as litter picking, illegal dumping and domestic waste collection are performed by Pikitup. A total tonnage of 746 was collected during the period under review as compared to 941 tons that were collected in the previous quarter. The cost of cleaning the hostels which is estimated at R1.1million per month is being claimed from the CoJ Housing Department.

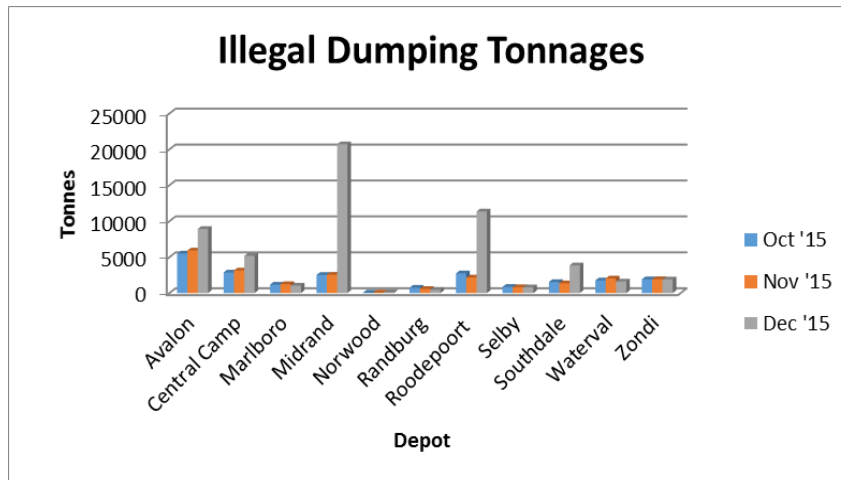
**Figure 7-7: Garden Sites**



A total of 37 038 tons was collected from the garden sites during the period under review as compared to 38 913 tons collected the previous quarter, which represents 4.8% reduction in tonnages collected in this regard.

## 7.4 Illegal Dumping

Figure 7-8: Illegal Dumping Tonnages



A total of 99 474 tons was removed during the period under review as compared to 69 059 tons cleared in the previous quarter which depicts approximately 44% increase in tonnages of illegally dumped waste in and around the City during the reviewed period. The main contributing areas are associated with Avalon; Central Camp; Midrand; Roodepoort and to some extent Southdale which collected more than usual illegal dumping tonnages in December 2015. This can be attributed to the strike backlog.

Table 7-4: Number of Illegal Dumping Spots Cleared

Number of Illegal Dumping Spots Cleared 2015/16 FY					
Depot	Quarter 4 (2014/15)	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Avalon	478	583	693		
Central Camp	789	676	246		
Marlboro	439	622	591		
Midrand	500	514	399		
Norwood	15	25	41		
Randburg	534	449	396		
Roodepoort	1039	570	158		
Selby	908	1158	1425		
Southdale	192	225	53		
Waterval	784	267	188		
Zondi	469	344	272		
<b>Total</b>	<b>6147</b>	<b>5433</b>	<b>4462</b>	<b>0</b>	<b>0</b>

The number of illegal dumping spots cleared during the period under review are less than the previous quarter, however more volumes/tonnages were recovered.

Bulky waste collection was introduced during March 2015. This is a free service that is provided to the residents of the City. It is aimed at diverting items such as old mattresses; large electronics; old furniture; etc. away from illegal dumping spots to the buy-back centres recycling where feasible. A total of approximately 60 tons bulky waste was collected during the period under review.

## 7.5 Bulk Commercial Services

There are a few challenges that we need to immediately address so as to ensure the Sustainability of the Business and a Quality Customer Service.

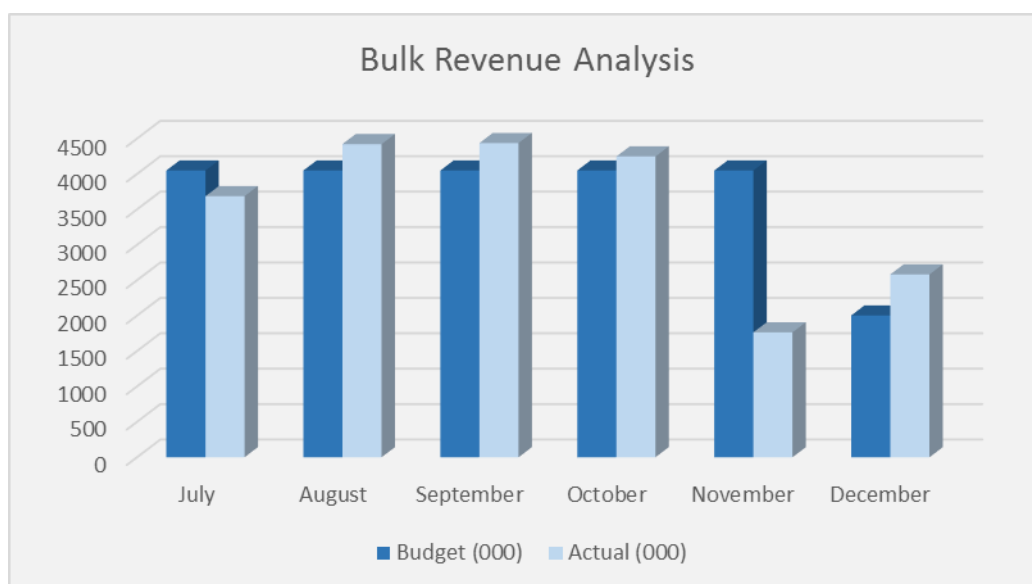
- The recent strike in November and December had a major impact on our Commercial Customers. It was critical that we had to service them before the Holidays and Year End festivities. We had successfully cleared all backlogs in time, but, as a team, we have to seriously consider future contingency plans if such circumstance recur.
- Another challenge is trying to maintain Operational Excellence, whilst we still have an ageing fleet. Downtime caused by breakdowns does negatively impact on Service delivery. Discussions with Fleet Management in the New Year will enable us to have spare capacity to minimize such downtime.
- The number of Senior Staff vacancies is also a challenge currently being experienced. The Senior Management of Bulk Commercial is currently in the process of populating the division with suitably qualified Operations Managers and Supervision to effectively manage the operations. This should be finalized by end January 2016

Revenues for the Second Quarter started off on a positive note with for the Bulk Operations, however the huge variance in the Dailies (-891k) for October is of concern. Also of concern is the financial impact on revenues that the recent unprotected labour strike had caused. The revenues for November are almost R2m below Budget.

The quarter's financial performance has been satisfactory as indicated on the figure below. This is attributed to the commitment of bulk Operations team which continued working tirelessly to ensure that all lifts were done as per schedule and also that lifts were done to meet and exceed the target.

The graph below illustrates revenue generated year to date.

**Figure 7-9: Bulk Revenue per Month**

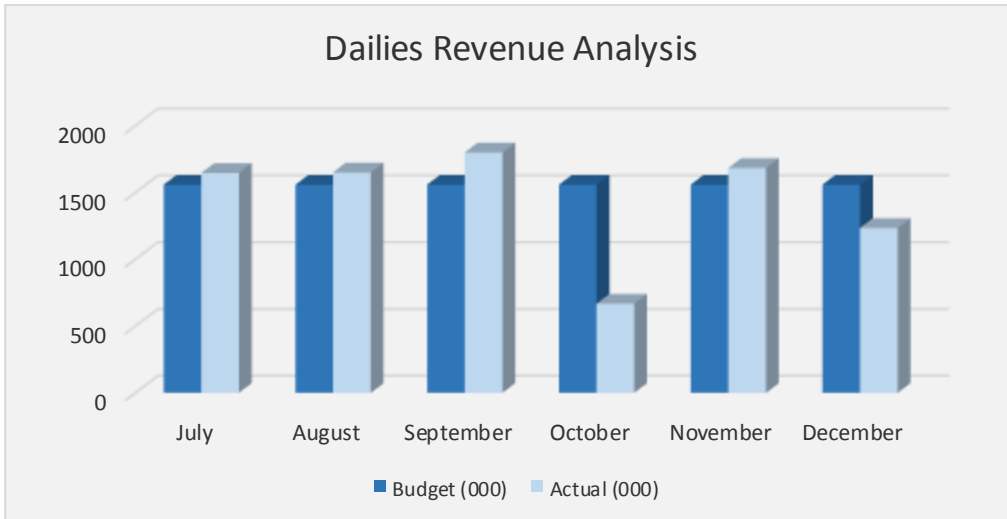


### 7.5.1.1 Dailies Revenue

The collection of dailies (putrescible waste) is done daily six days per week and it is a scheduled service. Dailies collection was undertaken to an average customer base of about 687. The Dailies operation is running as in accordance with the schedule. For the period under review the fleet availability was relatively stable.

The figure below shows Dailies monthly actual versus planned revenue.

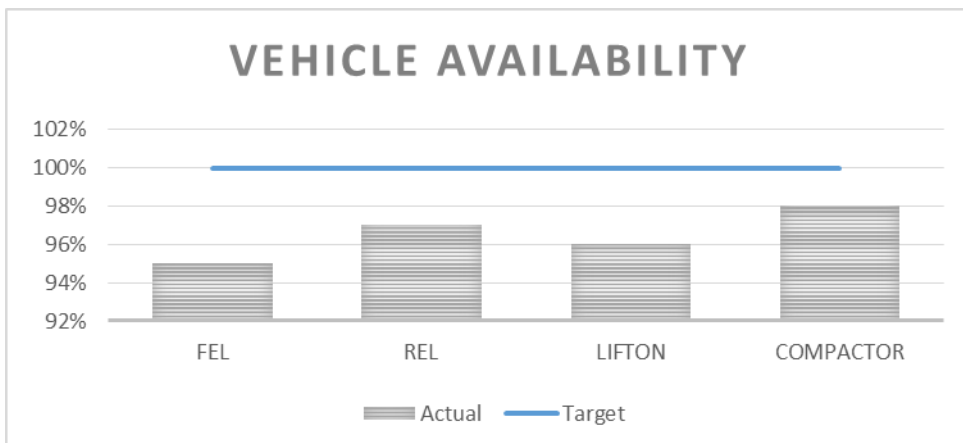
**Figure 7-10: Dailies Average Revenue**



### 7.5.1.2 Vehicle Availability for Bulk Commercial Services

Vehicle availability for Bulk and Dailies during the period under review was an average of 96.5%. However some of the dailies compactors are ageing and need replacement. A replacement plan has been furnished to Fleet Department.

**Figure 7-11: Bulk Commercial & Dailies Vehicle Availability Average per Vehicle Type**



The strategy is to ensure the following:

- To reassure our Customers of a Quality and Effective Service Provision without any interruptions.
- To ensure that our Drivers and Supervisors are adequately trained in Customer service so as to minimize Customer complaints.
- To do an analysis of our Business Operations model to ensure a Qualitative Customer service,
- We will also do an analysis our Fleet, container/skip resources and Routes to provide an effective operations for our Customers.
- To ensure the satisfactory completion and capturing of Service orders, real time.

## 7.6 Landfill Management

This section provides a summary pertaining to the Disposal Management which incorporates operations of the four landfill sites, namely: Robinson Deep, Goudkoppies, Marie Louise and Ennerdale. Also incorporated under this section is the monitoring of the two closed landfills, namely: Linbro Park and Kya Sands.

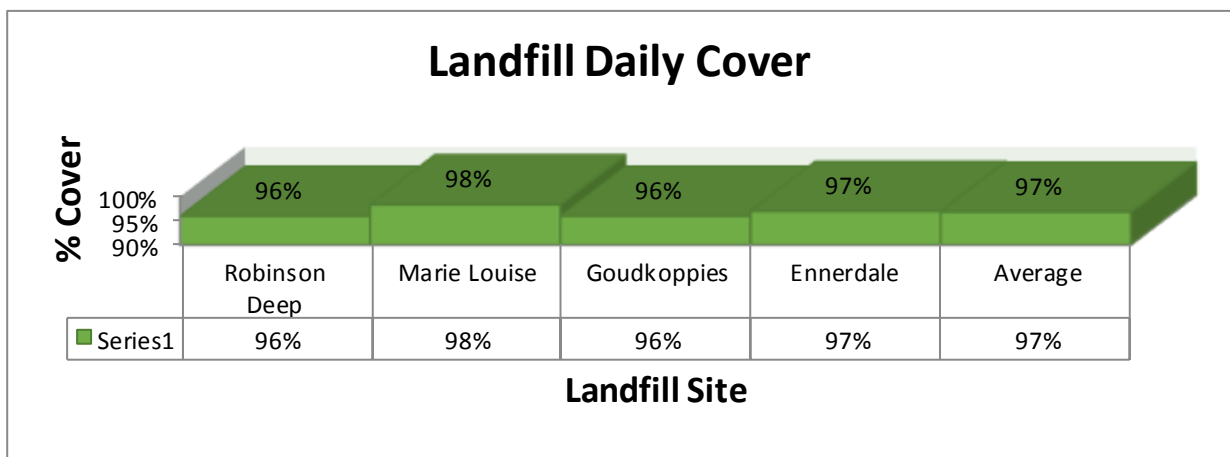
### 7.6.1 Landfill Cover

It is a permit requirement that the landfills should be covered daily, to minimise nuisances associated with the landfills, i.e. odour, breeding of vectors, to minimise percolation of precipitation as well as improve aesthetics associated with the landfill.

The daily cover achieved for the period under review has considerably improved. The visual assessments conducted show that an average of 97 % daily cover was achieved for the period under review.

The graph in the following figure below illustrates the landfill cover achieved for the respective landfill sites for the period under review.

**Figure 7-12: Percentage Cover at the Landfills**

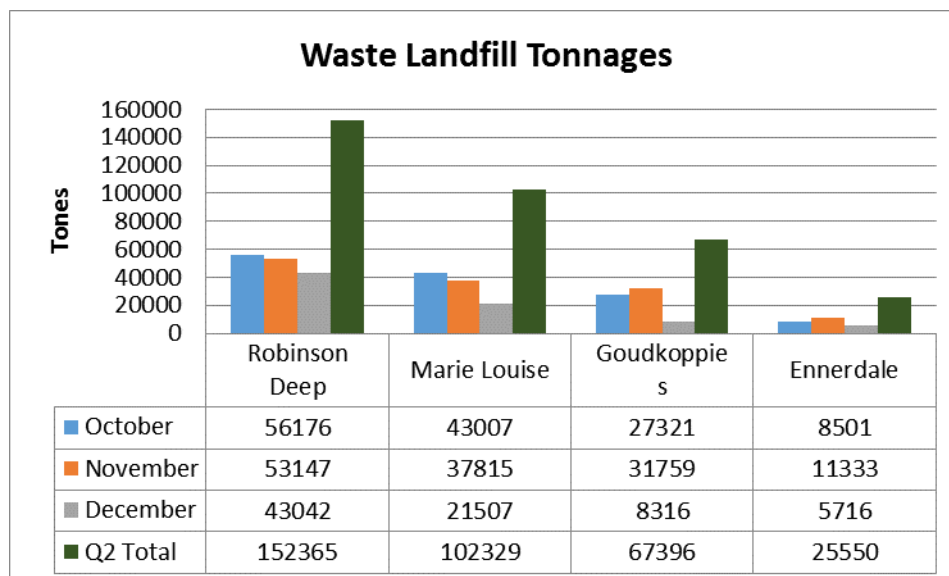


### 7.6.2 Landfill Tonnages

The following figure below reflects waste tonnages received at each of the operating landfill sites for the period under review.

It must be noted that the weighbridges which were still out of commission at the Robinson deep; Ennerdale; Goudkoppies and Marie Louise landfills as they were still under construction. The survey tons were used over the period recorded. The survey tonnages recorded over the period under review are outlined in the graph below.

Figure 7-13: Landfill Waste Tonnage



A total of 347 640 tons of waste were disposed at the Pikitup operated landfill sites during the period under review (October – December 2015) as compared to 365 582 tons of waste disposed of in the first quarter (July – September 2015). This depicts a decrease of 17 942 tons from the previous quarter of waste disposed.

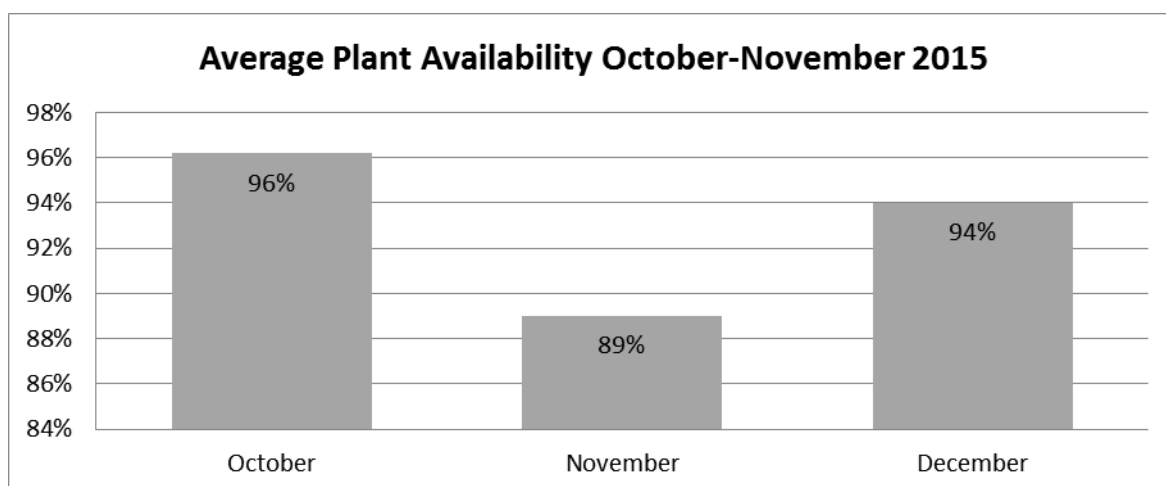
Waste Disposed at Landfill Sites	Total for 2013/14	Total for 2014/15	2015/16				
			Quarter 1	Quarter 2	Quarter 3	Quarter 4	YTD Total
Robinson Deep	773 409	651 930	192 780	152 365	0	0	345 145
Marie Louise	326 016	268 246	79 094	102 329	0	0	181 423
Goudkoppies	320 688	308 562	66 869	67 396	0	0	134 265
Ennerdale	91 296	88 689	26 839	25 550	0	0	52 389
<b>Total</b>	<b>1 511 409</b>	<b>1 317 427</b>	<b>365 582</b>	<b>347 640</b>	<b>0</b>	<b>0</b>	<b>713 222</b>

### 7.6.3 Plant Availability

For the Quarter from October to December 2015 the availability of plant was a satisfactory with occasional breakdowns to the landfill compactors and water tankers and normal maintenance taking place. The average availability recorded for the four operating landfills was at 94%. The Figure below illustrates landfill yellow plant availability during the period under review.



Figure 7-14: Landfill Plant Availability




#### 7.6.4 Weighbridge Availability

During the period under review, not all weighbridges were available. The construction of the new bridges which started in March 2015. The Bridges at Robinson was completed in October 2015, and the Marie Louise landfill construction was completed at the end of October 2015 and the construction at the Goudkoppies Landfill was completed in November 2015. It is anticipated that the Ennerdale weighbridges construction will be completed at the end of December 2015 the delay was caused by the unscheduled strike in which no construction could take place. Waste tonnages received during this period are being captured manually.

#### 7.6.5 Landfill Audits

To ensure that the landfills are in compliance with the landfill site permits and licences an external auditor was appointed in May 2015. The next external audit undertaking for operational landfills and closed landfills will be conducted in June 2016.

##### 7.6.5.1 Infrastructure Development

Landfill	Capital Project	Remarks
All operation landfills	Wheel washer systems.	<p>The construction of wheel washers continued under the period of review. The Wheel wash construction at Robinson Deep Landfill was completed in November 2015.</p> <p>Construction at the Goudkoppies landfill.</p> 

Landfill	Capital Project	Remarks
		<p>Robinson wheel wash in operation.</p> 
Goudkoppies Landfill	Construction of precast walling.	<p>Walling upgrade and or refurbishment around the Goudkoppies landfill site to increase security and improve access control at the site. The construction has continued without incident. The construction has been <b>completed</b> successfully.</p>
Ennerdale Landfill	Purchase of Corobrick property.	<p>JPC still busy with purchase of the property. The purchase the property is on the critical path as it affects the weighbridge, wheel wash and Recycling areas capital projects. JPC process of submitting a report to the City of Johannesburg Management Committee. The report was submitted and served before the JPC Board on the 27th August 2015. Still awaiting outcome of the Board meeting.</p>
Linbro park and Goudkoppies	Education Centre Linbro Park and New precinct offices Goudkoppies.	<p>The construction commenced on the 14 March 2015. The construction is still in progress during the period of review</p> <p>Construction at the Goukoppies landfill site as seen in the picture below.</p> 
Goudkoppies, Marie Louise, Ennerdale landfill	Construction of recycling facilities.	<p>The design for construction of the recycling facilities was under taken and <b>completed</b>.</p>

The above improvements will enhance the landfill compliance in relation to the following:

- Walling will improve access control and security associated with the landfills, which is enshrined in all landfill operating licenses/permits, Section 4: Access Control; Condition 4.2.
- Wheel washing systems will assist with the prevention of grit contamination build up on access roads in and out of the landfill sites.
- Recycling facilities incorporating rubble crushing plants and wood chippers at the landfills will enhance waste reclamation activities off the tip face, ensuring a safer tip face working environment and promoting airspace preservation.

## 7.6.6 Fleet Management

### 7.6.6.1 Fleet Complement

The table below represents the Current Fleet Complement compared with the Fleet Complement in the First Quarter, in addition the column on the right indicates Fleet that is New or Replaced. The Ad-Hoc Rental Fleet that is used to complement the category A and C vehicles should be replaced as a matter of priority, significant savings will be derived if this is achieved, in addition there are approximately 84 vehicles operating under the Category C contract that are overdue for replacement and these should also be replaced as a matter of priority as significant savings will be derived as well as a significant improvement in service level.

**Table 7-5: Fleet Complement**

CATEGORY	FIRST QUARTER	SECOND QUARTER	Replacements/New
A – Full Maintenance Lease	110	110	N/A
C – Managed Maintenance	293	293	N/A
Ad-Hoc Rental	143	104	Decreased with 39
TOTAL	546	507	-39

### 7.6.6.2 Fleet Availability

The table below reflects availability by depot, the table includes Pikitup Owned Fleet and the complemented with Ad-Hoc Rental Fleet.

**Table 7-6: Fleet Availability per Depot**

2ND Quarter Availability			
Month	Oct	Nov	Dec
<b>Depot</b>			
<b>Avalon</b>	100%	99%	100%
<b>Central Camp</b>	100%	100%	98%
<b>Marlboro</b>	97%	100%	100%
<b>Midrand</b>	100%	100%	100%
<b>Norwood</b>	100%	100%	100%
<b>Randburg</b>	100%	100%	100%

2ND Quarter Availability			
Month	Oct	Nov	Dec
<b>Depot</b>			
Roodepoort	100%	99%	100%
Selby	100%	100%	100%
Southdale	100%	100%	100%
Waterval	100%	99%	98%
Zondi	91%	100%	100%
<b>Total</b>	<b>99%</b>	<b>100%</b>	<b>100%</b>

#### 7.6.6.1 Fleet Performance Indicators

##### Budget:

The table below reflects budget key performance indicators pertinent to Fleet Management that have a material impact on business performance, in particular the Budget and Financial Recovery Plan.

KPI	Oct	Nov	Dec
Maintenance	R 5 223 258.17	R 3 529 919.48	R 2 367 823.65
Tyres	R 1 691 048.00	R 1 314 397.22	R 1 574 080.20
Fuel	R 3 985 348.27	R 4 300 419.66	R 2 903 747.84
Ad-Hoc Rental	R 9 265 812.00	R 7 206 652.88	R 9 457 506.21
<b>Total</b>	<b>R 20 165 466.44</b>	<b>R 16 351 389.24</b>	<b>R 16 303 157.90</b>

\* Please note the decline of cost for Fuel and Maintenance in December due to the two week strike at Pikitup. Again an increase on Ad-hoc cost due to additional resources required during the two week strike as well as the volume of waste to be cleared after the strike.

##### CPK:

The table below represents a Cent per kilometre comparison for the period under review.

	Jul-15	Aug-15	Sept-15	First Quarter
Maintenance CPK	R 9.92	R 9.89	R 8.60	<b>R 9.47</b>
Tyre CPK	R 3.15	R 3.57	R 3.28	<b>R 3.33</b>
Fuel CPK	R 9.23	R 8.55	R 8.99	<b>R 8.92</b>

	Oct-15	Nov-15	Dec-15	Second Quarter
Maintenance CPK	R 10.67	R 7.19	R 4.99	<b>R 7.62</b>
Tyre CPK	R 3.45	R 2.68	R 3.32	<b>R 3.15</b>
Fuel CPK	R 8.46	R 8.65	R 8.70	<b>R 8.60</b>

\* Please note that the cpk figures for Dec Maintenance have reduced due to the strike and number of maintenance and preventative maintenance that was carried out during the strike as well as festive season. Some suppliers were closed during the festive season and only minor repairs were attended to during this period.

## 7.7 Customer Service Standards

The service standards outlined in the table below provides the report on the turn-around times of complaint lodged during the quarter. These standards are prescribed by the shareholder and are aimed to ensure adequate and timeous responses to customer complaints and queries.

**Table 7-7: Performance Against Customer Service Standards**

Service Level Indicators (KPI)	Service Level Standards (turnaround time)	Quarter	Achievement	Variance Comments	Timeline Commitment to ensure 100% Resolution
Collecting domestic waste	7 days 100%	1	99%	Target met	Pikitup collects domestic waste once a week from all residential areas, a target of 98% was exceeded.
		2	90%	Service Affected due to illegal strike action	
		3			
		4			
Collecting general business waste	7 days 100%	1	100%	Target met	Pikitup collects general business waste once a week from all business premises.
		2	95%	Service Affected due to illegal strike action	
		3			
		4			
Collecting putrescible waste (wet waste)	Daily, up to 6 X a week 100%	1	100%	Target met	Pikitup collects daily putrescible waste 6 days a week.
		2	95%	Service Affected due to illegal strike action	
		3			
		4			
Cleaning of illegal dumping spot	7 days 100%	1	100%	Target met	Pikitup cleans all illegal dumping spots as per schedule on a daily basis. Unfortunately due to inadequate law enforcement this is an ongoing problem. All scheduled spots were cleaned during the quarter however continues to recur.
		2	80%	Service Affected due to illegal strike action	
		3			
		4			
Removal of animal carcasses	24hrs 100%	1	100%	Target met	This is done within 24hrs of reporting.
		2	100%	Target met	
		3			
		4			
Delivery of an ordered Skip bin	7 days 100%	1	100%	Target met	Ordered skips were delivered on time.
		2	100%	Target met	
		3			
		4			
Collecting of refuse bags on the curbside	48 hrs. 100%	1	100%	Target met	All bags placed on the curbside were collected during the period under review
		2	95%	Service Affected due to illegal strike action	
		3			
		4			

## 8 CUSTOMER AND COMMERCIAL SERVICES

The department is responsible for the commercial activities of the entity as defined in the waste management by-laws and the signed Service Delivery Agreement (SDA) with the parent municipality. All the commercial customers are serviced by operation department and CCS department is responsible for billing, reporting and customer services activities. The financial results of the commercial activities will be reported by finance department together with the overall financial performance of the entity.

### 8.1 Bulk Commercial and Dailies Business Services

Pikitup's Bulk Commercial unit (under operation) is responsible for the collection and disposal of Bulk (skips) and Dailies (putrescible) waste from commercial customers who are billed according to the circulated tariffs and the number of lifts per month.

#### 8.1.1 Number of Customers

There has been movement on the customer database between the periods 01 October 2015 to 31 December 2015. The total number of Bulk and Dailies customers as at 30 September 2015 was 1621 compared to customers as at 31 December 2015 sitting at 1487. The decrease in number of customers is as a result of on-going customer database clean-up that the department is performing. The sales team is currently working on a sales strategy to increase the current customer base.

The table below illustrates the total customers as at 31 December 2015:

**Table 8-1: Number of Commercial Customers**

DEPOT	BULK		DAILIES	
	Jul 15 – Sep 15	Oct 15 – Dec 15	Jul 15 – Sep 15	Oct 15 - Dec 15
Central Camp	179	179	74	75
Marlboro	306	105	89	61
Randburg	95	94	39	39
Roodepoort	103	103	65	65
Southdale	195	151	59	59
Waterval	56	57	122	122
Norwood	0	44	92	92
Selby	0	93	147	148
<b>GRAND TOTAL</b>	<b>934</b>	<b>826</b>	<b>687</b>	<b>661</b>
New Services	14	3	8	12
Cancellations	3	0	4	0

#### 8.1.2 Database Clean-up

An area which is not directly related to the operations of depots but which none the less have an impact on the number of customers is the on-going customer database clean-up process.

Due to customer database clean-up our customer numbers have been changing every reporting quarter. By large the clean-up deals with areas where there were duplications of customers as well as cancelled customers and closed down companies still appearing on our database. The overall effect of the exercise is that customer numbers in the books are decreasing. However, realistically the actual numbers are increasing since we have new customers on board.

## 8.2 Customer Services: SAP CRM Queries

A number of interventions have been introduced during the last quarter and the results of those interventions are visible taking into account the remaining backlog queries and the current open queries. It must be noted that the current open queries reflect the average number of queries that should be expected from our customers. Our query resolution rate has also improved after the implementation of the intervention measures. Note the increase in backlog queries are to refuse queries not allocated to Pikitup inbox.

### 8.2.1 Total number of open queries

Description	30 June 2015	30 September 2015	31 December 2015
Backlog queries	70	24	299
Current queries	1 131	718	2506
<b>Total number of open queries</b>	<b>1 201</b>	<b>742</b>	<b>2805</b>

### 8.2.2 Resolution rate

	Q4 2014/2015	Q1 2015/2016	Q2 2015/2016
<b>Resolved within SLA</b>	81%	84%	70%
<b>Resolved out of the SLA (completed)</b>	5%	7%	3%
<b>Total Resolution rate</b>	<b>86%</b>	<b>91%</b>	<b>73%</b>

### 8.2.3 Current Open Queries

Current open queries are all queries raised on or after the 01 July 2015 and there are 2506 open queries as at 31 December 2015, of which 260 relates to open queries 7 days prior to month end not due for resolution.

Current quarter resolution rate within SLA is 70% with the total resolution rate per quarter of 73%. This compares unfavorably with last quarter where the resolution rate within SLA was 84% and total queries resolved for the quarter was 91%.

The deterioration of the resolution rate was primarily due to shortage of supply of 240 litre bins and the disruption of work as result of an illegal strike undertaken of by depot workers. Notwithstanding the aforementioned, the task team continues to assist depots to resolve queries in the system. The team monitors queries on a daily base. Without the efforts of the task team the resolution rate would be much worse.

The existing internal control query resolution processes is constantly reviewed to assist in improving the query resolution rate.

**Table 8-2: Open Queries per Depot – As at end of 31 December 2015**

<b>Depot</b>	<b>Q1 2015/2016</b>	<b>Q2 2015/2016</b>
Waterval	10	1
Roodepoort	44	487
Norwood	40	54
Selby	15	20
Midrand	65	137
Southdale	46	164
Marlboro	96	95
Zondi	202	595
Marketing	8	46
Randburg	102	256
Central Camp	39	211
Avalon	51	328
Bulk	0	2
Unallocated	0	110
<b>Total</b>	<b>718</b>	<b>2506</b>

#### **8.2.4 Top 5 Open Queries**

The following table shows the Top 5 Open Queries per category as at 31 December 2015.

**Table 8-3: Common Call Types**

<b>Call Type</b>	<b>Q2 2015/2016</b>
Request for new service	575
Replacement of damaged bins	861
Replacement of stolen bins	843
Illegal dumping	49
Reduction in service	58
<b>TOTAL</b>	<b>2386</b>

## **9 CAPITAL PROJECTS AND EXPENDITURE**

The actual capital expenditure is 53% and the commitments as of 24 December 2015 are valued at 95% of the total budget. The capital budget expenditure target for this quarter has been met and exceeded.



**Table 9-1: Current Status of Capital Projects**

ITEM NUMBER	PROJECT DESCRIPTION	PROGRESS TO DATE
1.	Construction of Weighbridges at four (4) Landfill sites.	Weighbridges at Robinson Deep, Marie Louise and Goudkoppies landfill sites are 100% completed and handed over for operations. Ennerdale landfill site is 90% completed and is expected to be completed by 31 January 2016.
2.	EIA for garden sites and sorting buyback facilities: Woodmead, Meadowlands, Victory Park, Melrose, Fairland ,Orange Farm, Kaalfontein, Ivory Park, Alexandra Florida, East road.	The service provider have been appointed and the assessment are at varying stages of progress. The studies are expected to be finalised by 30 June 2016.
3.	Construction of the Wheel Washing Systems at four (4) Landfill sites	Construction progress is at 75% towards completion for all four sites. In Robinson Deep, Marie Louise and Goudkoppies landfill sites the wheel washing machines are installed. The project is expected to be completed by 31 March 2016.
4.	Procurement of movable scales (Buy back centres)	20 platform scales have been ordered, planned delivery date is end of February 2016.
5.	Upgrades and Refurbishment of Zondi depot	Project is 70% complete. The project is expected to be completed by 31 <sup>st</sup> March 2016.
6.	Upgrades and Refurbishment of Randburg depot	Construction progress is at 55%.The project is expected to be completed by 30 April 2016.
7.	Procurement of 240 L bins	The project is at 95% completed, with a total of 120 000 bins delivered to date.
8.	Upgrade and refurbishment of all garden sites	Bezuidenhout garden site sorting facility 100% completed. Nirvana garden site sorting facility 100% completed Main garden site sorting facility 100% completed. Bangalore garden site sorting facility 100% completed.
9.	Health care risk waste facilities(feasibility studies)	Project 100% completed.
10.	Procurement of bulk containers (skip bins)	The project was re-advertised and a report has been submitted to the BAC for an award, service provider to be appointed by end January 2016.
11.	Construction of office precinct at Goudkoppies and education centre at Linbro Park	Construction progress is at 60% towards achieving completion for both sites. The project is expected to be completed by 31 March 2016.
12.	Landfill cameras	The project is awarded and will be completed by 30 June 2016
13.	Procurement of fixed recycling bins	The project is 97% completed. The project will be completed by end of January 2016.
14.	IT hardware and software	Service providers are awarded on an ad hoc basis.
15.	Head office relocation	The project is 98% completed. The project will be completed by end of January 2016.

**Table 9-2: Current Status of Capital Expenditure**

Object	Budget	Actual	Commitment	Assigned	Available
SPRINGFIELD : PLANT	1,500,000.00				1,500,000.00
Separation at Source	11,000,000.00	6,928,654.65	3,242,856.73	10,171,511.38	828,488.62
PURCHASE OF 240L bins	12,000,000.00	9,636,898.46		9,636,898.46	2,363,101.54
Garden Sites and EIA	1,000,000.00	264,784.44	413,690.60	678,475.04	321,524.96
Ennerdale Landfill Site	4,850,000.00	2,499,575.51	1,129,562.76	3,629,138.27	1,220,861.73
Goudkoppies Landfill Site	4,850,000.00		4,669,309.01	4,669,309.01	180,690.99
Marie Louise Landfill Site	4,850,000.00	1,008,735.80	3,551,926.85	4,560,662.65	289,337.35
Robinson Deep Landfill Site	4,850,000.00	12,695.74	4,501,670.25	4,514,365.99	335,634.01
Garden Sites Including sorting buyback facil	10,000,000.00	8,347,566.34	650,802.69	8,998,369.03	1,001,630.97
Linbro Park Transfer station	500,000.00			-	500,000.00
Compost Plants	1,045,000.00			-	1,045,000.00
Kerbside Collection	3,000,000.00	2,026,172.75		2,026,172.75	973,827.25
Waste Bulk Container	1,500,000.00	487,480.04		487,480.04	1,012,519.96
Street Furniture	1,000,000.00	877,192.98		877,192.98	122,807.02
New Plant and Equipment	10,000,000.00	9,136,131.69	49,743.00	9,185,874.69	814,125.31
Landfill New Cell Development	4,500,000.00	4,500,000.00		4,500,000.00	-
Facilities, renewals and upgrade	27,000,000.00	11,050,994.48	8,589,668.87	19,640,663.35	7,359,336.65
Branding and signage	500,000.00	5,664.26		5,664.26	494,335.74
IT hardware and software	5,000,000.00	858,000.00	863,081.12	1,721,081.12	3,278,918.88
<b>Total</b>	<b>108,945,000.00</b>	<b>57,640,547.14</b>	<b>27,662,311.88</b>	<b>85,302,859.02</b>	<b>23,642,140.98</b>
<b>Percentage Achieved</b>			<b>53%</b>		

## 10 PERFORMANCE AGAINST SDBIP

The following table depicts the Key Performance Indicators (KPI's) for the 2015/16 financial period. Comments are made on areas where there is a variance between the target set and the actual performance as well as proposed action plans to address the gaps and ensure that the targets are met by the end of the financial year.

**Table 10-1: Key Performance Indicators – 2015/16**

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
Integrated Waste Management, Waste Prevention and Waste Minimisation	To ensure that waste to landfills are minimised	Waste diverted from landfills Reduce, reuse, recycle and reclaim <sup>2</sup>	Tons of green waste diverted	35 148 ton in 2014/15	60 000 ton	12 460 ton	15 000 ton green waste	12 964	Unusually hot and dry spring and labour unrest in the Nov to Dec period	Finalize the 10yr off-take agreement in Q3 to supplement the off-takes done through the 3yr off-take agreement
			Tons of builder's rubble diverted <sup>3</sup>	25 059 ton in 2014/15	50 000 ton	43 102 ton	15 000 ton builder's rubble	16 752	Target exceeded	
			Tons of dry waste diverted through S@S project (paper, plastic, glass, cans)	20 808 ton in 2014/15	60 000 ton	11 656 ton	10 000 ton dry waste	9 138	The labour unrest affected the collection of recyclables from residents in the Nov to Dec period	With the envisaged rollout of the private sector partnership model in Q3, more areas within the City of Johannesburg currently not covered with S@S will be covered. It is thus expected that this will result in increased diversion.

<sup>2</sup> Waste tonnages aggregated per waste stream.

<sup>3</sup> New indicator and therefore no baseline exists

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
			Tons of food waste diverted	New Indicator	10 000 ton	0	1000 ton food waste	0	No off-takers of food waste identified	Continue exploring alternative initiatives to divert food waste
		Separation at source extended to additional areas	Increased participation rate in targeted areas where Separation at Source project is implemented	21% in 2014/15	50%	21%	35%	17.27%	The labour unrest affected the collection of recyclables from residents in the Nov to Dec period	Rollout of an extensive communication, education and awareness campaign programme in Q3 and Q4 aimed at improving S@S participation
		Construction of new buy-back centres, and upgrade of garden sites	Number new sorting buy back centres constructed and number of garden sites upgraded to include recycling activities	50 total integrated waste management facilities operational in City of Johannesburg	60 total integrated waste management facilities operational in City of Johannesburg (10 additional for year <sup>4</sup> )	0	2	4	Target achieved	Target achieved.
		Upgrade landfill	% landfill compliance	90.5%	90%	n/a	n/a	n/a	Annual target that is measured by	

<sup>4</sup> Sites as included in the capital investment plan and budget for 2015/16.

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
		sites to comply and to extend landfill airspace	to GDARD regulations and permit conditions as issued by DEA and DWAF, related to:Robinson Deep Landfill SiteEnnerdale Landfill SiteGoudkopies Landfill SiteMarie Louise Landfill Site						independent auditor on annual basis	
	To use waste as resource for poverty alleviation and job creation	Exchanging food for waste	No new of individuals participating in food for waste project as identified from City of Johannesburg ESP register	155	150	0	30	109	Target exceeded.	

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
			Number of food gardens established and managed by communities on rehabilitated illegal dumping sites	5	5	0	1	3	Target exceeded.	
Realisation of Value throughout the Waste Value Chain		Separation at Source and Jozi@Work	No of new jobs created through Co-operatives	192 (32 new jobs in S@S and 160 jobs in J@W)	1000 new jobs	727	150	245	Target Exceeded	Process is underway to appoint private sector partners for S@S who are expected to create more jobs.
			No of new Co-operatives / SMMEs established	17	59 new Co-operatives / SMMEs	8 new coops	15	7 new cooperatives	These 7 cooperatives are in addition to the 18 established in Quarter 1. There is a budget constraints to appoint further cooperatives	Process underway to appoint private sector partners for S@S who are expected to subcontract cooperatives and other SMMEs.
		Community Cleaning Program	Number of community members employed in	1 474 EPWP workers	450	61	100	453 casuals have been appointed by operations for		

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
		me (EPWP)	community works programme <sup>5</sup>					festive period and recovery after strike. No EPWP workers were employed		
Effective and Efficient Waste Services	To ensure effective and efficient waste services	Regular domestic waste collection	% RCR rounds completed on time (15h30-17h00)	99.7%	98%	99%	96%	96%	Target met on average for the quarter. Performance was impacted by the illegal work stoppage.	
		Improve city cleanliness levels of targeted areas city-wide - (block cleaning and waste minimisation - education and	Cleanliness level of inner city as determined by GDARD Gauteng Waste Management Standards <sup>6</sup>	Level 1	Level 1	Level 1	Level 1	Level 2	The illegal work stoppage affected cleanliness levels	A recovery plan was implemented after the work stoppage
			Cleanliness level in outer city based on street cleaning as determined	Level 1	Level 1	Level 2	Level 2	Level 3	The illegal work stoppage affected cleanliness levels	A recovery plan was implemented after the work stoppage

<sup>5</sup> Individuals participating to be registered on EPWP database and attendance registers to be kept.

<sup>6</sup> Cleanliness levels as defined in the GDARD Standards for Cleanliness

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
		awareness, street furniture)	by GDARD Gauteng Waste Management Standards							
		Cleaning of Hostels	Cleanliness levels of hostels as determined by GDARD Gauteng Waste Management Standards	Level 3	Level 2	Level 2	Level 2	Level 3	The illegal work stoppage affected cleanliness levels	A recovery plan was implemented after the work stoppage
		Eradication of Illegal Dumping Spots	Number of illegal dumping spots eradicated <sup>7</sup>	12	200	0	40	4	4 sites were rehabilitated as part of the Jozi@Work initiative. The illegal work stoppage impacted on the rehabilitation efforts and focus is on recovery as more spots emerged during this time.	A plan is in place to monitor all spots per region. In addition certain areas are earmarked to become formal dumping areas to ease collection of waste but process underway to obtain necessary consent and to install

<sup>7</sup> Cleaning illegal dumping spots to be accompanied by strategy and one intervention may include establishment of drop off areas where illegal dumping spots have occurred.



Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
										appropriate infrastructure.
Partnerships and Stakeholder Involvement	Mobilisation of public at large to change behaviour	Waste Campaign	Number of campaigns implemented	New indicator	Overall waste campaign with programmes in each quarter <sup>8</sup>	1 programme implemented	1 programme implemented	1 programme implemented	Festive Season campaign implemented	
Building an Efficient, Effective and viable waste management company	To optimise financial management and sustainability	Commercial Revenue Collection	Increased collection rate from Pikitup's commercial customers	79% collection rate	90% revenue collected from actual billed	104%	88% revenue collected from actual billed	77%	The collection ratio for Qrt2 is based on information for the months of October 2015 and November 2015, as December 2015 data is not yet available in SAP BW. The reduction in performance is due to measuring against actual billed and collected for the quarter to date.	With the improvement recommendations put forward by the SAP project team reports would be more readily available to measure actual performance. The report measuring actual collections to actual billed has been approved but not yet made available in the SAP Production module.
		Capital Budget Expenditure	% Capital Budget spent	R135,232,505 (92%)	96%	12%	30%	53%	Target exceeded	
		Procurement spent	% BEE spend	75% BEE	75% BEE	81.1% BEE	75% BEE	92.42%	Target Exceeded	

<sup>8</sup> Programmes to be implemented as identified in the Stakeholder Engagement Plan

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
		on BEE and Women owned companies as a % of total procurement <sup>9</sup>	% women owned companies	25% Women	25% Women	75.18% Women	25% Women	50.23%	Target Exceeded	
		Ensure sound financial state of company related to all aspects	Audit opinion obtained from Auditor General (AG)	Unqualified Audit with matters of emphasis	Clean Audit	n/a	n/a	n/a	Audit results only available after AG audit is completed in November 2016	Resolution of findings and action plan implementation are monitored on regular basis.
	To improve customer satisfaction and change behaviour	Query Resolution	% Queries Resolved within time frame	79% queries resolved in 7 days	80% queries resolved in 7 days	84% queries resolved within 7 days	70% queries resolved within 7 days	70% queries resolved within 7 days	The deterioration of the resolution rate compared to the previous quarter was primarily due to shortage of supply of 240 litre bins and the disruption of work as result of an illegal strike	To continue with the task team to assist depots to resolve queries in the system. The team monitors queries on a daily base.  The existing internal control query

<sup>9</sup> The actual spending can only be determined after awards have been made as open procurement processes are used. The detailed allocation of spending is reported to ARC on quarterly basis.

Goals	Objectives	Project/s	Indicator	Baseline Actual 2014/15	Annual Target	Quarter 1	Quarter 2	Quarter 2	Reason for Variance	Comments and/or Corrective Action to be taken
					2015/16	Actual Performance	Project Delivery Targets	Actual Performance		
									undertaken of by depot workers.	resolution processes to be reviewed to assist in improving the query resolution rate
	To become leading organization in waste management	Compliance with Health and Safety Standards	Quarterly health and safety inspections completed for all Pikitup facilities (head office, depots and landfills, garden sites and buy back centres)	4 Quarterly inspections	4 quarterly inspections	3 inspections (monthly)	1 quarterly inspection	2 inspections completed	Target Exceeded	
		Reduced number of accidents	Reduction in Disabling Injury Frequency Rate Ratio (DIFR)	0.04	0.5	0.02	0.5	0.03	Target Exceeded	

## 11 SUPPLY CHAIN MANAGEMENT AND ECONOMIC EMPOWERMENT

### 11.1 BBBEE Spend

The table below indicates expenditure against targets:

**Table 11-1: Spending in Relation to BEE and Women Owned Companies**

Category	Actual Q1	Actual Q2	Actual Q3	Actual Q4	Targets	2015/16 Actual
<sup>1</sup> BEE entities	81.1%	92.42%			75 %	
Women	75.18%	50.23%			25 %	

### 11.2 Implementation of Pikitup Supply Chain Management Policy

In an attempt to stabilize the Supply Chain Management unit the following key issues have been identified to address the immediate to short term needs of the unit:

ACTIVITIES / INTERVENTIONS	Progress
Completion of and maintenance of Acquisition plan - Capex and Opex	Acquisition Planned approved and submitted to CoJ
Regular reporting on progress of acquisition of planned vs. Actual	Ongoing
Evaluation and identification of transversal acquisition needs of user departments for financial year	The following have been identified and are in progress of being initiated by user department:- Recruitment Agency for Casual Labour as well as Temporary Employees
Monitoring of specifications and evaluations within legislative requirements	The SCM Policy and Procedure Manual has been reviewed, Targeted Training has been identified for Committee members and SCM Officials. Training scheduled for February 2016
Preparation of bids either through open tender or RFQ process within prescribed timelines	Ongoing, Internal service standards have been set for the unit ie RFQ<R30k 7 days, RFQ>R30k<R200k 14 days, open tenders >R200k 120 days, Bid documents have been updated and standardised
Evaluation of bids aligned to PPPFA	Ongoing Achievement of spend to designated groups 92.42% spend on BEE owned companies and 50.23% on Women Owned Companies
Maintenance of a supplier Database	Call for registration of vendors was advertised, Vendor Database

ACTIVITIES / INTERVENTIONS	Progress
	being updated on an ongoing basis
Supplier Development in terms of bidding requirements and conduct	Targeted Session for Quarter 3
Management of acquisition process through stores	Ongoing There was a nil stock variance for both quarters 1 and 2
Maintenance of optimum stock levels	Stores has embarked on identification of fast moving commodity goods (FMCG) with the aim of establishing an economic order quantities in order to ensure that stock levels are maintained at all times

## 12 HUMAN RESOURCES AND ORGANISATIONAL MANAGEMENT

### 12.1 Human Resource Management

Table 12-1: Current Employment Demographic Profile: December 2015

OCCUPATIONAL LEVELS	MALE				FEMALE				TOTAL
	A	C	I	W	A	C	I	W	
Top management	3	0	1	1	1	0	1	0	7
Senior management	15	4	1	4	6	1	2	3	36
Professionally qualified and experienced specialists and mid-management	33	1	1	13	33	4	0	1	86
Skilled technical and academically qualified workers, junior management, supervisors, foremen, and superintendents	103	9	4	0	88	5	0	0	209
Semi-skilled and discretionary decision making	408	14	0	1	136	0	0	1	560
Unskilled and defined decision making	1876	11	0	0	1765	14	0	0	3666
<b>TOTAL PERMANENT</b>	<b>2438</b>	<b>39</b>	<b>7</b>	<b>19</b>	<b>2029</b>	<b>24</b>	<b>3</b>	<b>5</b>	<b>4564</b>
<i>Temporary employees</i>	0	4	0	2	1	2	2	1	12
<b>GRAND TOTAL</b>	<b>2438</b>	<b>43</b>	<b>7</b>	<b>21</b>	<b>2030</b>	<b>26</b>	<b>5</b>	<b>6</b>	<b>4576</b>

### 12.1.1 Recruitment

During the period under review the company had an aggressive recruitment drive, cognisant of the Board's directive on increasing the employment of Coloureds, Indians and Whites. The table below summarises internal and external recruitment, selection and placement. It further indicates the diversity and inclusion of attraction of talent.

**Table 12-2: New Staff Recruited**

Recruitment							
No	Department	Position	Number of Positions	Salary Level	Appointment Date	Gender	Race
1	MD's Office	Manager in the Office of MD	1	D2	01-Sep-15	Female	Indian
2	Operations	Operations Manager	5	D1	01-Sep-15	3 Male and 2 Female	African
3	Communication and Stakeholder Management	Manager: Communications	1	D2	01-Oct-15	Female	African
4	Communication and Stakeholder Management	Secretary: Communication & Stakeholder Management	1	C2	01-Oct-15	Female	African
5	Corporate Services	Manager : Employee Wellness	1	D3	01-Oct-15	Female	African
6	Finance	Financial Analyst	2	D4	01-Oct-15	Male and Female	White and Coloured
7	Internal Audit	Manager: IT Audit	1	D2	01-Oct-15	Male	African
8	Internal Audit	Specialist Forensic IT	1	D3	01-Oct-15	Male	Indian
9	Communication and Stakeholder Management	Manager: Stakeholder and Liaison	1	D2	12-Oct-15	Male	African
10	Operations	General Manager: Bulk	1	E1	01-Nov-15	Male	Indian
11	Waste Minimization Strategy & Programmes	Food for Waste Specialist	1	D2	01-Nov-15	Female	African
12	Internal Audit	Manager: Finance, Operations, Performance and Compliance Audit	1	D3	02-Nov-15	Male	African
		Treasury Accountant	1		01-Jan-16	Male	African
13	Supply Chain Management	Sourcing Specialist	1	D2	01-Jan-16	Female	African
14	Commercial & Customer Services	Manager: Accounts & Customer Services	1	D1	01-Jan-16	Male	Indian
15	Waste Minimization Strategy & Programmes	Specialist: Small Business Support	1	D2	01-Jan-16	Male	African
<b>Total</b>			<b>21</b>				

### 12.1.2 Attrition

The following presents a summary of employee attrition during the period under review:

Figure 12-1: Attrition by Race

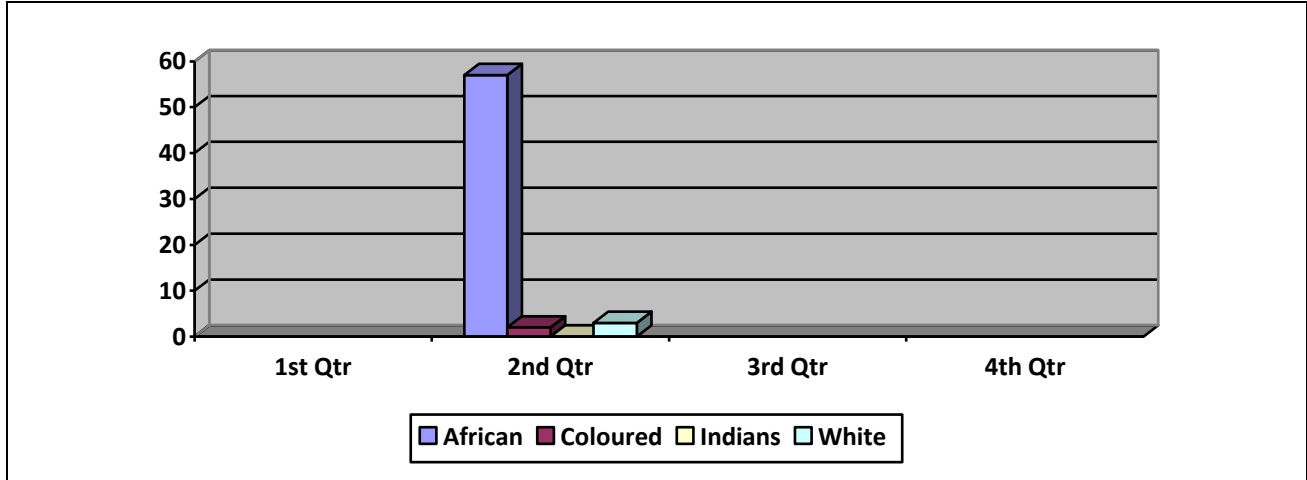
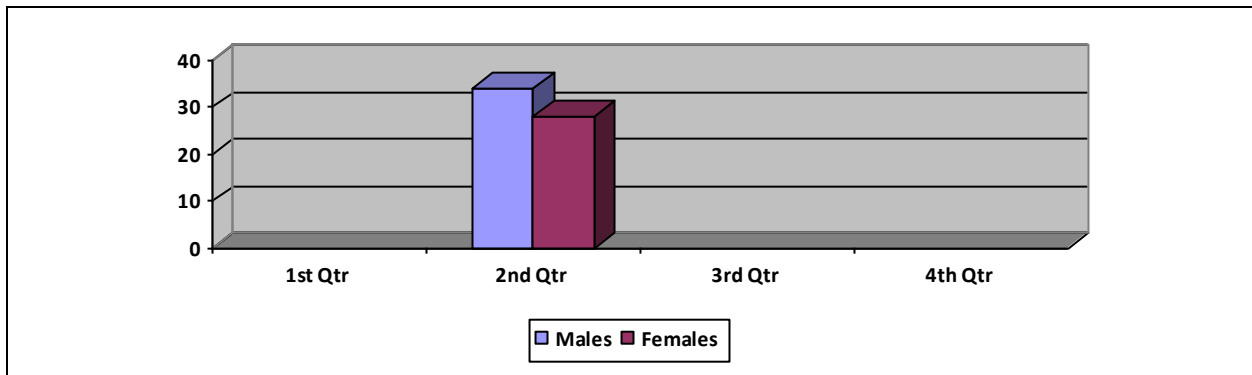


Figure 12-2: Attrition by Gender



### 12.2 Employment Equity

First group of Employment Equity committee members from various depots were trained and the second group will be trained in February because of interruptions resulting from strike it was postponed. Training will assist in developing a new Pikitup 5 year employment equity plan, setting numerical goals, implementing, monitoring and evaluation of Employment Equity.

- elimination of discrimination in decision-making;
- promotion of employee diversity;
- reduction of barriers to advancement of the disadvantaged; and
- Introduction of measures and procedures for transformation.

During this period annual employment equity report is underway for submission to Department of Labour.

## **12.3 Skills Development and Training**

Depot visits were conducted and employment equity and skills development committees were resuscitated and upcoming skills development projects were introduced and employees were encouraged to participate.

### **12.3.1 Adult Education and Training**

All AET level 1 to 4 Employees wrote their final National Examination during the Month of November 2015. Results will be shared with employees as soon as they are released by IEB (Independent Examination Board) that conducts all Pikitup AET examinations.

Managers and supervisors staff continues to attend appropriate courses and programmes during the period under review.

Among some of the programmes that are attended are:

- Employment Equity Training
- Woman Leadership
- Designing Your Training program
- HIV Symposium

### **12.3.2 Further study / subsidized education.**

Employees continue to register with different Higher Education institutions to further their studies among those Courses are:

- Supervisory stock keeping
- Supply Chain and Management
- Office Administration
- Health ,Safety and Environmental
- Business Administration

### **12.3.3 Learnerships**

There was environmental learnership graduation ceremony hosted by the Department of Environmental Affairs for all learners that were placed in different municipalities and entities. From the total number of a 100 graduates, 20 of these were hosted by Pikitup where they received workplace experiential learning, mentoring and coaching.

## **12.4 Employee Relations Matters**

### **12.4.1 Illegal Work Stoppage**

The South African Municipal Workers' Union (SAMWU) embarked on an illegal strike on the 23 November 2015. There were neither any demands nor a deadlock declared against the company prior to the illegal strike.



The company applied to the Labour Court and was granted an Order on the 24 November 2015, which, amongst others, interdicted the SAMWU strike as unprotected. SAMWU and its members disregarded the Court Order and continued with their unprotected strike until the 3 December 2015. The strike culminated into a total of 9 days.

Whilst the illegal strike was proceeding, the COJ leadership and representatives of SAMWU, COSATU and the ANC attempted to resolve the issues raised and therefore obtain an end to the unprotected strike. The foregoing culminated in formal negotiations between COSATU, SAMWU, COJ (represented by the MMC) and the Gauteng Department of Cooperative Governance and Traditional Affairs (represented by MEC Mamabolo) over a 2-day period, from the 2 until 3 December 2015.

The outcome of the foregoing negotiation process was a politically facilitated agreement which, in summary, sets out the framework for a process to address the matters that led to the strike.

The Agreement was signed on 3 December 2015 upon which striking employees began returning to work.

#### **12.4.2 Disciplinary Matters and Outcomes**

In the last quarter, there were five outstanding disciplinary cases. These were dealt with at various disciplinary hearings. The sanctions ranged from Final Written Warnings, Suspension without pay to dismissals.

All the outstanding cases from the previous quarter have been finalized.

### **12.5 Employee Wellness**

#### **12.5.1 Corporate Wellness Days**

EWP embarked on Corporate Wellness day events whereby all Pikitup depots were given an opportunity to conduct medical screenings for all employees. The following medical screenings were done:

- HIV Counselling and Testing,
- Blood Pressure,
- Blood Sugar,
- Cholesterol,
- Body Mass Index including Pap smears (Cervical Cancer screening) for women and PSA (Prostate Cancer screening) for men.

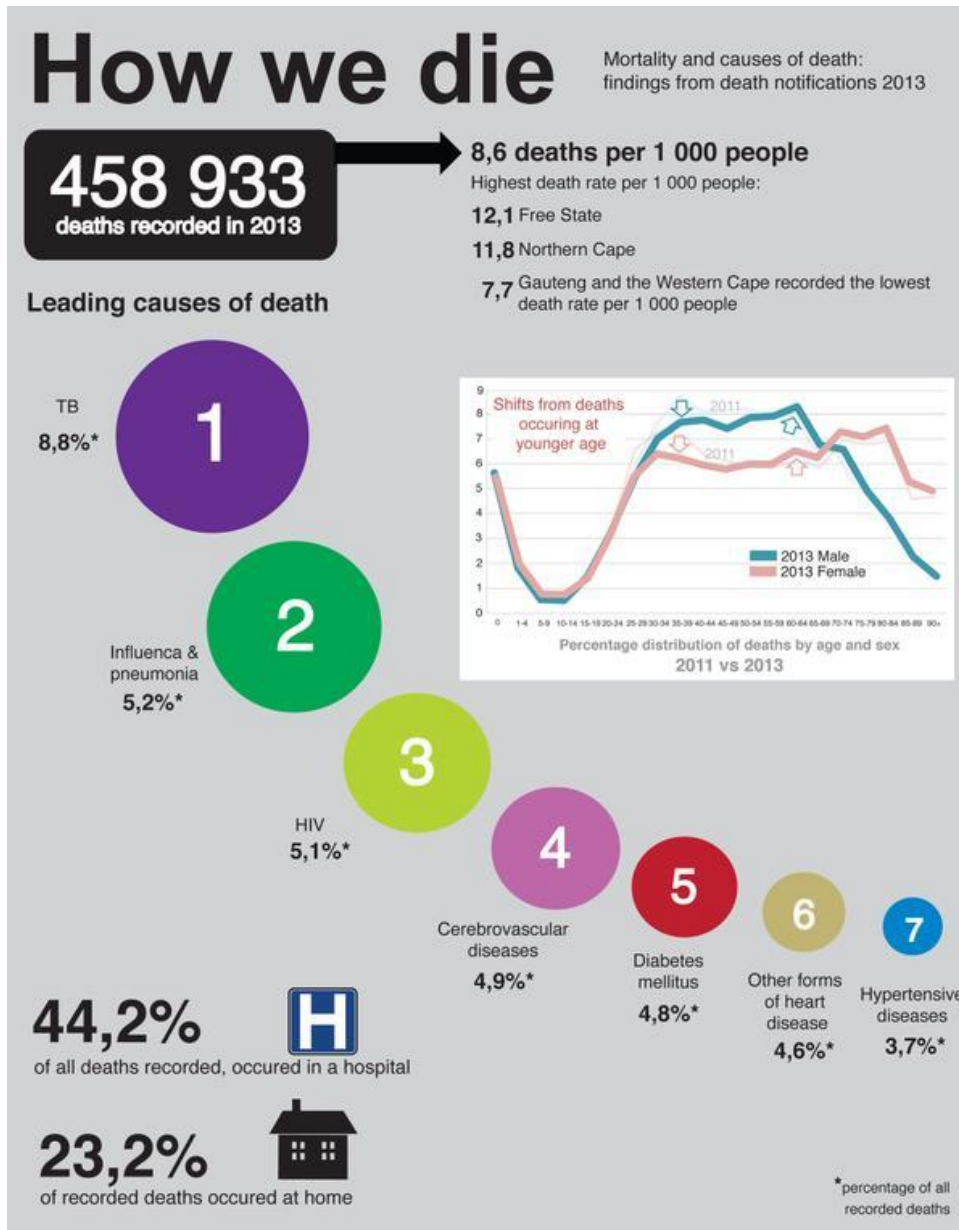
Employee Wellness Day events were scheduled for the 18<sup>th</sup> November 2015 to 11<sup>th</sup> December 2015.

Due to Labour unrest 4 out of 14 depots were done. External service providers were procured to render supportive role in the program.

Benefit to the Organization is to reduce burden of chronic diseases, incapacity, absenteeism, improve productivity and reduce health care costs from illness and hospitalization and major illness complications

e.g. strokes, cancers etc. and to comply with Gauteng and Department of Health Healthy Lifestyle program.

### 12.5.2 Chronic Diseases (Non-Communicable Diseases)



### Statistics SA Mortality stats above confirm:

- TB is the number 1 cause of mortality in RSA

- HIV is the number 3 cause of mortality
- Chronic diseases (non-communicable diseases) are the 4<sup>th</sup> and 5<sup>th</sup> causes of mortality in RSA.

**Q2 Wellness day stats below on chronic disease Prevalence Rate (PR) in 4 Depots is as follows:**

DEPOT	GENDER		TOTAL	AGE <35	AGE 36 - 55	AGE >56	HYPERENSION		BLOOD SUGAR		CHOLESTEROL	
	MALE	FEMALE					DONE	ABNORMA	DONE	ABN	DONE	ABN
NORWOOD	76	95	171	38	111	22	170	40	142	12	126	15
RANDBURG	69	82	151	43	90	18	151	17	151	9	84	17
AVALON	63	42	105	22	56	27	105	29	105	16	35	12
CENTRAL CAMP	101	89	190	32	107	49	190	56	190	16	113	21
TOTAL	309	308	617	135	364	116	616	142	588	53	358	65

**12.5.2.1 Chronic diseases stats for Wellness days 2015:**

4 depots (refer table above) were assessed and average outcome of Prevalence Rates (PR) is as follows:

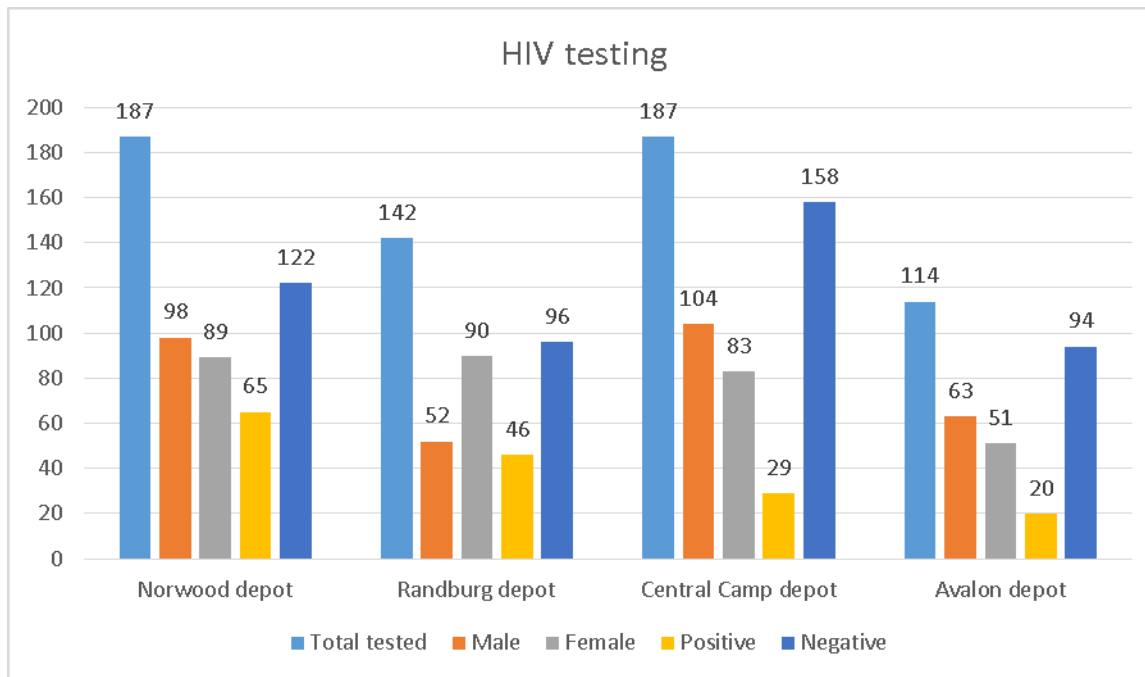
Total no. employees: 617

- Majority age range: 36-55 years (59%) hence an ageing workforce with increased risk of morbidity(% male: female = 50:50)
- Age >56 years: considered higher risk : 19% of workforce
- Abnormal BP: 23% PR (National PR =55%)
- Abnormal Blood sugar: 9% PR (national PR =6%)
- Abnormal cholesterol: 18% PR

The analysis confirm significant risk to employees for chronic diseases ranging from 9 % - 23% .Hence early intervention is essential to avoid complications and morbidity e.g. strokes, heart attacks, renal failure and impact on Pension fund (incapacity, disability, medical boarding).

### 12.5.3 HIV Stats

Figure 12-3: HIV Testing Results



HIV testing was done during the annual Wellness day which commenced on 18 November 2015. The four depots covered were as above: Norwood, Randburg, Central camp and Avalon.

- Wellness days and World HIV/AIDS day commemoration(HIV testing) took place as follows:
  - ✓ Norwood depot – 18 November 2015
  - ✓ Randburg depot – 19 November 2015
  - ✓ Avalon depot – 20 November 2015
  - ✓ Central Camp depot – 23 November 2015
  - ✓ Head office – 01 December 2015
- HIV counselling and testing was conducted by Gauteng Department of Health, COJ – NGOs and SADTU.

#### Q2 HIV Statistical analysis is as follows:

Depot	Number tested (% tested)	% Employees Positive	% Employees Negative
Norwood	187(39%)	34.76%	65%
Randburg	142(52%)	32.4 %	67%
Central Camp	187(60%)	15.5%	85%
Avalon	114(44%)	17.5%	83%

Preliminary data analysis for HIV Prevalence Rate (PR) tests done on Wellness days in above four depots show that Pikitup has an average PR of 25% , which is twice the National PR which suggests a high risk within the Organization hence the need for robust intervention, education and other preventative strategies. Currently available RSA stats surveyed by HSRC (Human Sciences Research Council) are 6.4 million positive HIV cases (12%) national PR. RSA Males and Females aged 30-39 years PR is 29% and 36% respectively. In terms of morbidity and mortality, HIV accounts for number three cause of mortality in RSA at 5.1%.

In terms of incapacity, HIV is listed among the top 5 conditions together with non-communicable diseases (hypertension, diabetes, cardiac, and cancers) and respiratory, mental health and musculoskeletal disorders.

It also co-exists with TB at 73% PR and has a major socio-economic impact and burden upon health care service delivery and industrial costs.

#### **12.5.3.1 HIV/AIDS programme implementation included:**

- Education and awareness regarding HIV/AIDS,STI and TB
- Condom distribution
- HIV counselling and testing.
- Provision of supplementary treatment (immune boosters) for employees who are immune-deficient
- Referral of HIV positive employees to EAP for counselling and support(HCT)
- Monitoring and follow up of HIV positive employees.

#### **12.5.4 Top three Medical conditions within Pikitup:**

<b>Medical Condition</b>	<b>% of Top three Conditions</b>
Respiratory	19
Musculo-Skeletal	16
Hypertension	14

#### **12.5.5 Immunization Programme**

Vaccination was done on high risk employees following the Health Risk Assessment done in Q3 2014-2015 in Landfill and Bulk operational areas. The Occupational Health and Safety Act no 85 Of 1993 Health and safety legislation on biological agents requires the control of the risk. Employee Wellness thus had to come up with a plan to mitigate the risks. The program entailed vaccination against infectious diseases to afford protection to employees and guard against any ill- effects from biohazardous exposure. Employee Wellness Department appointed an external service provider who provided immunization program for infectious diseases viz. typhoid, tetanus and hepatitis A and B.

### 12.5.5.1 Vaccination Statistics

**Phase 1:** A total of 170 employees were booked in Landfill and Bulk and number vaccinated in 21, 21 October 2015 were 167(**98%**).

**Phase 2:** A total of 170 employees were booked in Landfill and Bulk and number vaccinated 13, 19 and 20<sup>th</sup> November 2015 were 139 employees (**82%**).

**Phase 3** of vaccination program will be done in **Q3 2015/16**. Employees who refused vaccines were requested to sign the relevant forms declining the vaccines.

### 12.5.6 Employee Assistance Programme – Top Three Problems

Top three EAP conditions within Pikitup:

EAP Conditions	% of Top three Conditions
Debt	27
Family Issues	16
Absenteeism	10

#### 12.5.6.1 Debt Management

The debt management workshops have been conducted in all the depots, with only Orange Farm (new Satellite depot) and Selby Night depot outstanding due the Selby electricity challenges during the scheduled date for the workshop. The workshop for the new Satellite depot, Orange Farm depot has been rescheduled for Quarter 3, due to the Wellness Days planned for the month of November and December 2015.

#### Management of Garnishee Orders

The prevalence rate amongst blue collar employees is around 50% and this could have a major impact on morale, productivity, attendance at work and socio-economic circumstances. The phase two of the debt management programme which is the management of garnishee orders, has been implemented and is currently on the initial phase. Employee Wellness has initiated a multi-disciplinary committee to address issues regarding management of Garnishee Orders within Pikitup. Meetings were held with HRSA and Legal to discuss their input in the management of garnishee orders. A meeting has been scheduled for 3<sup>rd</sup> quarter. In addition, benchmarking with other companies has also started, with Coca-Cola being the first company benchmarked. Individual garnishee order issues are currently being addressed at the depot level on one-on-one EAP interventions by internal EAP practitioners, with other interventions being discussed with

other stakeholders, including the external service providers, Human Resource Services and Legal Department.

#### **12.5.6.2 Substance Abuse Programme**

Substance Abuse awareness workshops for RCR started in Q1 and continued in Q2. Randburg is the only depot outstanding and planned to be completed in Q3. Five panel drug testing feedback started in Q1 targeting Ops Managers. They were also educated on the importance of driver testing. Feedback will continue in Q3 targeting drivers. Policy review was initiated in Q1 with all correspondence being drafted and will be circulated to all concerned stakeholders in Q3. Support Group Meeting are continuing and the next meeting scheduled for February 2016 [Q3].

#### **12.5.6.3 Incapacity and Absenteeism Management Programme**

Depot Incapacity and Absenteeism committees were formed and trained by Employee Wellness department in all depots. Incapacity meetings are held monthly at depot level to discuss and manage employees with temporary, permanent incapacity and chronic absenteeism. The training of Incapacity and Absenteeism committees included information on Sick leave Policy which guides on management of sickness absenteeism. Procedure for permanent Incapacity and Pension Fund rules were also explained to all committees so that the information can be cascaded down to all employees.

There are still challenges with monthly depot incapacity meetings and Operations need to take ownership of the process to manage these challenges at depot level. EWD will continue to render support to Operations ensuring the incapacity process is managed effectively at depot level.

#### **Incapacity Management Stats Report Q2**

During **Q2**, Employee Wellness compiled statistical analysis of active and permanent Incapacity cases within the depots. The purpose of this statistics is to evaluate how many Pikitup employees are on alternative placement due to ill-health, injuries or other wellness related problems. The aim of Employee Wellness is to assist these employees to recuperate quickly as possible and return to their original positions of employment if possible or be redeploy them to other positions if they are unable to return to their exact positions. If all has failed, employees are referred to HRSS for Medical boarding application.

#### **Active Incapacity cases.**

Currently there are **91 employees** that have been put on light duty positions in all the Pikitup depots. This number totals about **1.8% of Pikitup employees**. The total number of females is 43 (47%) and males is 48 (53%). Most of the employees are on light duty due to Ill-health, with a total of 18 (20%) being injuries on duty. Out of 91 employees on light duty, 78 (86%) of them are between the ages 36yrs – 55yrs.

## **Permanently working in the depot**

A total of 29 (**0, 6%**) employees are permanently redeployed to work in the yard/depot due to ill-health or injuries. Most of these cases are due to chronic medical conditions, with only 4 of them being due to injuries.

The main challenge that Pikitup is phased with is ageing workforce. Ongoing health education on diet, exercise, fluid intake and regular monitoring of chronic medical conditions. There is a need for ongoing education on safety standards on manual handling of material, pulling, pushing and bending while they are working.

## **Progress Report on Incapacity Management Programme**

During the 1<sup>st</sup> quarter all depots (Supervisors, time keepers, HR, and safety officers) were trained on Incapacity and Absenteeism management. Incapacity and Absenteeism management committees within the depots were formed.

During Q2 all Operational Managers were trained on the programme and the following aspects were covered:

- Education and awareness on Incapacity management.
- Managing sick leave/ absenteeism.
- Identifying the employee in need of support.
- Procedure/ process on incapacity management.
- Monitoring performance improvement plan (PIP).

Operations Managers were reminded that they should chair the Incapacity meetings at their depots. Monthly meetings have been scheduled for all depots. Employee Wellness will render supportive role to ensure that meetings do take place and important cases are discussed and solved.

### **12.5.7 Healthy Lifestyle Programme (HLP)**

This program was done on Executives and Senior Managers during the **08/09 October** 2015 (Q2 2015/16) at the Management Strategic Planning breakaway session.

Statistical Outcomes were as follows:

The program focused on four health aspects under the “**Know your Numbers**” plan, and these aspects are:

1. Blood Pressure test
2. Body Mass Index
3. Total Cholesterol test
4. Blood Sugar test



## Progress on Healthy Lifestyle Programme in Depots

Healthy Lifestyle Programme has already started. 6 out of 13 (46%) depots have implemented the programme fully. Employee Wellness has started collating all information on BMI collected during Wellness day events. Those employees who have high BMI will be included in the Healthy lifestyle Programme. (HLP). During Q3 roadshows will be done in all depots to remind employees about the programme. Those who have not registered will be encouraged to register.

### 12.5.7.1 Executive Medical Programme

Recognizing that Human Capital Risk Management and wellbeing of Pikitup senior management (Executives and Senior Managers) are key strategic issues for leading organizations, Wellness department did a medical screening on a total of 49 Senior Managers and Executives on the 8<sup>th</sup> of October 2015. Information below summarizes the findings and recommendations from this Executive Wellness Programme. The aim of the Executive medicals was to identify key risk areas and propose appropriate interventions and recommendations.

From the findings it is clear that there is significant prevalence of sub-optimal wellbeing and health risks within this group. Most of the risks found are modifiable, with overweight and obesity, high cholesterol and mental health being the most common risk factors in this group. Proactive Lifestyle interventions programmes with regular structured follow-up are highly recommended.

- A total of 48 Executives and Senior Managers took part in the Wellness department Executive screening program. The outcomes are as follows:
  - The majority (73%) of senior management fall in the 36-55 years age group.
  - 18% of Senior Management is in the > 55 years range
  - 9 % < 35 years

Blood Pressure		Blood Sugar		Cholesterol	
Normal	Abnormal	Normal	Abnormal	Normal	Abnormal
90%	10%	94%	6%	73%	27%

10% have abnormal BP requiring further intervention. In comparison with National RSA stats, the average prevalence rate is: 55% of population.

Diabetes Risk PR: 6% abnormal results.

RSA stats on diabetes PR: 6% of total population.

Pikitup Wellness stats for cholesterol is 27%. The main concern is metabolic syndrome with high BP, high Blood sugar, high cholesterol and obesity and risk of complications from non-communicable diseases (hypertension, diabetes).

BMI			
Underweight	Normal	Overweight	Obese
< 19	19 - 24	25 – 29	30 - 35
2%	17%	38%	44%

As per above table, Obesity PR (prevalence rate) is: 82% suggesting a significant risk of co-morbidity with chronic diseases. Hence the need for healthy lifestyle program to mitigate risk to Executives and senior management.

### K10 Psychological Stress :

K 10		
Normal	Caution	Stress Positive
72%	6.4%	26.4%

K10 psychological stress table:

- 72% of Senior Management have normal stress levels
- 6.4% Caution
- 26.4 % were experiencing stress

EAP counselling and referral to psychologists for psychotherapy was recommended for “stress Positive” senior managers.

## 12.6 Occupational Health and Safety

### 12.6.1 Compliance auditing

Pikitup is licenced to operate its landfills in terms of the National Environmental Management: Waste Act. It is a requirement of these licenses that Pikitup’s landfill operations are audited for environmental compliance under the licensing authority of the Gauteng Department of Agriculture and Rural Development (GDARD) for compliance with the license conditions.

Whilst Pikitup is required to monitor compliance on an ongoing basis, three types of audits are carried out during the course of a year.

Every quarter, compliance to license conditions issued under ECA and NEMWA is audited by the City of Johannesburg’s Environment & Infrastructure Services Department (EISD). The EISD’s second quarterly audit of 2015/16 was conducted in December 2015 and the results have not yet been made available to us. Upon receipt, the audit outcomes will be reported on and also submitted to GDARD.

GDARD conducted audits at Ennerdale and Marie Louise landfill sites in November and December 2015 respectively and the results of the audits are awaited.

In the commitment to continual improvement five Pikitup depots (Avalon, Malboro, Midrand, Randburg, and Zondi) and Head Office were audited by the internal audit department to monitor compliance with the Occupational Health and Safety Act 83 of 1993. The results of the audit have not yet been finalised.

#### **12.6.2 Achievements for the Quarter**

The Operations Department is continuing with the daily toolbox talks assisted by the SHE Department.

The Occupational Hygiene Surveys are ongoing with a number of facilities visited to establish baseline occupational exposures of employees in ensuring that proper control measures and medical intervention programs are put in place for the safety and health of employees. A first report is expected by end of this quarter.

SHE Incentive program has been successfully implemented and the first winners are Roodepoort Depot and Marie Louise landfill site. There is notable improvement in the quest to changing the safety health and environmental culture within the organization.

#### **12.6.3 ISO Certification to be obtained**

Pikitup has embarked on a process to obtain a combined ISO 14001 (environmental management system) and OHSAS 18001 (occupational health and safety management system) certification for its operations.

The requirements of the relevant ISO standards are implemented in preparation for the certification. The appointed service provider started with the Gap Analysis on 14 December 2015 and could not continue due to the illegal work stoppage. The gap analysis is expected to be finalised in February 2016. We are prepared for the challenge of steering the organization to be counted amongst the leaders in the Waste Management industry by acquiring the internationally recognized ISO and OHSAS certifications.

#### **12.6.4 Monthly Inspections Conducted**

Routine health and safety inspection are conducted on a monthly basis. Facilities related SHE hazards are still a challenge but we continue to engage the Facilities department in ensuring that these are reported and attended to. The primary areas of concern are the absence of ablution facilities and water supply at the majority of Pikitup's garden sites and other facilities related issues such as defects in perimeter walls, inadequate lighting, damaged ceilings and the like.

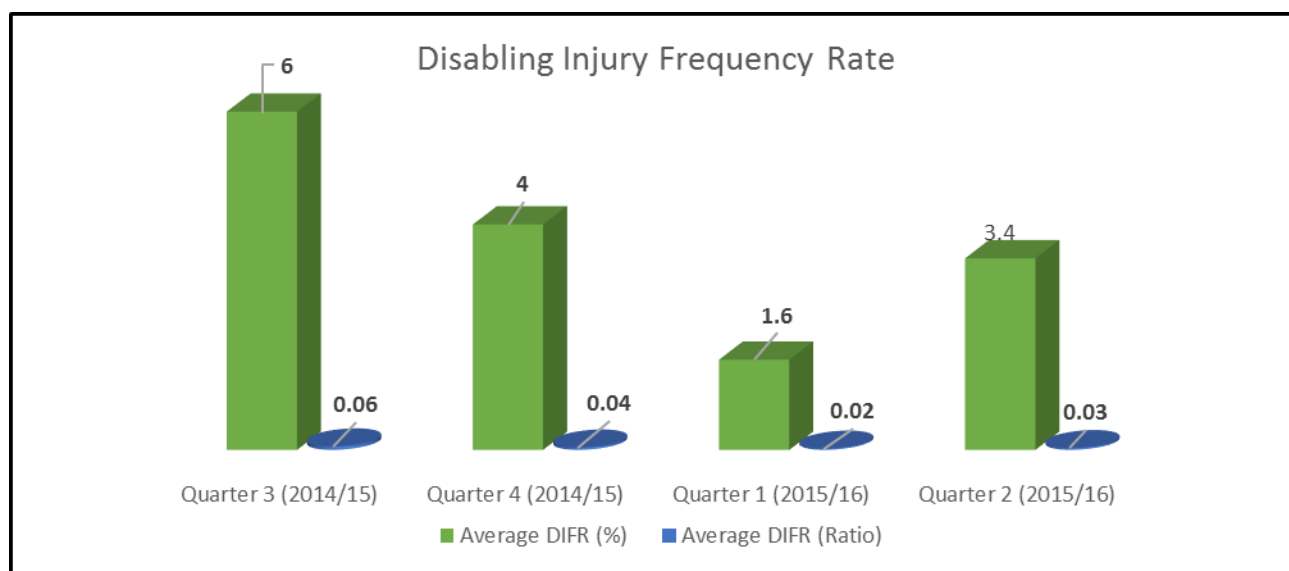
A comprehensive programme to upgrade facilities and the matters identified above has been developed. A number of the contractors have been appointed and it is expected that especially the issues around ablution facilities and water supply will be remedied before the end of the financial year. The facilities upgrade programme is extensive and is expected to continue into the 2016/17 year.

#### **12.6.5 Disabling Injury Frequency Rate (DIFR)**

The DIFR for the second quarter shown a slight increase from 0.02 to 0.03. The average recorded DIFR reflects that there has been an average of 3.0 incidents for every 100 employees.

The SHE Department continues to put measures in place to ensure that the DIFR is kept at a minimum through the proactive campaigns that are ongoing like the driver awareness campaign, site visits, and inspections in an attempt to reverse the trend towards zero Injuries.

**Figure 12-4: Disabling Injury Frequency Rate**



### 12.6.6 Disabling Injuries per Facility and Types of Incident

Injuries are reported per employee and not per incident, this means that for vehicle related incident, there might be one incident that involves a number of employees that incur disabling injuries. The total number of injuries for the quarter is 38 (compared to 20 in the previous quarter). Landfill sites were injury free for this quarter.

**Table 12-3: Disabling Injuries per Facility**

Avalon	Central camp	Waterval	Marlboro	Midrand	Norwood	Randburg	Rodepoort	Selby	Southdale	Zondi	Orange Farm	Garden Site	Panorama	Head office	Marie Louise	Goudkoppies	Ennerdale	Springfield	Robinson	Monthly & Quarter Totals	
0	0	0	1	6	2	1	0	2	3	2	0	0	0	1	0	0	0	0	0	18	Oct
0	1	0	2	2	0	2	0	3	1	1	0	0	0	0	0	0	0	0	0	12	Nov
0	0	0	1	1	1	2	0	2	0	0	0	0	0	0	0	0	0	0	0	7	Dec
0	1	0	4	9	3	5	0	7	4	3	0	0	0	1	0	0	0	0	0	37	Total

Slips & falls showed an increase in this quarter from 5 in the first quarter to 15 in the second quarter. This could be due to wet weather conditions encountered in this quarter. Vehicle related incidents are still in

high numbers increasing to 13 from 8 in the last quarter. It must be noted as well that the slip and fall incidents are in some cases also vehicle related as most slips & falls occur during round collected refuse when employees attempt to get on/ off moving vehicles. This is an unsafe act/ behavioural issue the organisation has a challenge with.

**Table 12-4: Type of Incident**

Slip and Fall	Machinery	Vehicles	Falls from moving truck	Loading	Loading: Bumped by car	Loading: Crushed by bin lifters	Street sweeping: Bumped by car	Chemical	Ladders	Bee sting	Dog bite	Foreign object in the eye	Assault	Hit by object	Cuts	Other	Monthly & Quarter Totals	
10	0	3	0	0	0	1	0	1	0	0	0	1	0	1	1	0	18	Oct
2	0	7	0	0	0	0	0	0	0	0	0	1	0	2	0	0	12	Nov
3	0	2	0	0	0	0	0	0	0	0	1	0	0	1	0	0	7	Dec
15	0	12	0	0	0	1	0	1	0	0	1	2	0	4	1	0	37	Total

### 12.6.7 Action Plan for Vehicle Related Incidents

Ongoing training and the safety video that is in a process of being develop will assist in showing the safe and unsafe acts for all our operations.

### 12.6.8 Environmental Incidents

There were no environmental incidents in the quarter.

## 12.7 Security Management

The Security Risk department Pikitup is committed to the establishment of a crime free and safe workplace environment that is characterised by compliance to relevant legislation, regulations, integrity and ethical conduct by its employees.

Based on Minimum Security Standards (MSS) document as national information security policy approved by the Cabinet on 04 December 1996, the Security Risk Department follow the following primary value chain activities for provisioning of security services to Pikitup:

- Physical security management service
- Information security management service
- Personnel Security - Security screening and vetting administration services
- Investigation and protection services
- Security risk advisory service
- Liaison with other external Law enforcement agencies

These activities are or will be provided in partnership, collaboration and consultation with security agencies (SSA, SAPS, and Private security companies) and Pikitup employees.

### 12.7.1 Safeguarding sites or buildings with outsourced guarding services

The new tender for security guarding has been initiated and during the month of July and August 2015, BEC sits and conducted evaluation. After the audit by the independent auditor from Sizwe Ntsaluba Gobodo, the tender was nullified and cancelled. New tender advertised and later on cancelled as a result of court interdicts by one of the security services provider.

As a result of court processes about the cancelled security tender, the security department sourced a new and temporary security services provider to start with guarding services as from the 1<sup>st</sup> December 2015 until 30 November 2016.

From October – December 2015, SRM conducted 2 (Two) holistic security risk assessments (SRA) and security surveys (SS) on Pikitup sites. Stringent security measures were recommended in order to eliminate weaknesses, threats and risks in all sites. Site specific security management plans (SMP) were drafted to minimise the sites exposure from threats and risks.

Date	Location	Risk Assessment	Time	Outcome of Activity	Recommendation
2015-09-28	Central Camp depot	SRA Review	09h00	Theft of diesel from the compactor trucks	Put stringent controls
2015- 10- 06	Southdale depot	<b>SRA Review</b>	09h00	Perimeter fence has evidence of intrusion No CCTV system	Repair perimeter fence Install CCTV system

Some SRA recommendations, such as deployment of additional security personell were implemented and security visibility and alertness improved in most sites. SRM managed to reduce security breaches in most Pikitup sites through gathering of intelligence and partnerships with other law enforcement agencies, like local security companies, neighbourhood watch and patrolling, community police forums, etc.

### 12.7.2 Access control and CCTV systems

The Access control Biometric System is fixed and on operational. The challenge in this regard is with employees disabling the system` mag-logs at the door for easy access. The matter was discussed with IT for future solution.

Although the CCTV cameras and the Control room are on operational and working, the current evaluation indicates that they need upgrading. Due to the relocation of head office, the upgrade was cancelled.

### 12.7.3 Personnel Security (Screening and vetting administration)

In consultation with NIA Security advisor, the GM Security Risks presented Security clearance and vetting process to enable the screening processes to start. A draft policy was submitted to Executive Director Corporate Services for review and later presented to Exco.

#### 12.7.4 Investigations and Crime Management

7 (Seven) cases emanated from security incidents and 01 (one) case was reported through the citywide fraud hotline.

#### 12.7.5 Security Incidents

During the 2<sup>nd</sup> Quarter (October – December 2015), a total of 7 (Seven) cases were reported and investigated. From the total list of reported cases, 2 (Two) are for theft of property, 2 (two) for Assault, 1 (one) Pikitup car involved in accident, 1 (one) for House breaking and theft and 1 (one) loss of personal items.

#### 12.7.6 Strike Management

On the 23 November 2015, Pikitup employees resorted on illegal strike. The security of employees and property was threatened and waste thrashed all aorud the city. Security department appointed extra Security Companies to asist with manpower from different perspectives.

The follwing companies appointed temporarily to assist with security and protetion services during the strike :

Company appointed	Dates	Services provided	Challenges
Mabotwane High Risk	24 – 30 November 2015	Provision of high risk security patrols and escort	None.
Sidas Security Service	28 - 30 November 2015	Armed guards to all Depots and landfills	None.
Fidellity Security Services	01 -04 December	Armed guards to all Depots and landfills (replacing Sidas)	None.
Big View Protection service s	01-04 December	Escorts services for cleaning of the araes	None.
JSJ Security services	01-04 December	Escorts services for cleaning of the areas	None
CTS Security Services	01-04 December	Escorts services for cleaning of the areas	None

#### 12.7.7 Executive Protection

During the last quarter, SRM embarked on 4 MD's road shows under the theme "meet and greet' across all Pikitup sites. The exercise was well handled and secured well except the Midrand road show which was disrupted by Imatu shop steward, who later on suspended and taken for disciplinary hearing.

### 12.7.8 Projects

The following security projects were handled by the Security Risk department during October- December 2015:

- During October, SRM was involved with the valuation of the Security Tender PU 446/2014 and the tender was cancelled
- During November 2015, SRM was involved with the spec, advertisement and evaluation of Security Tender PU012/ 2015 which was also cancelled
- From 1 December 2015, SRM appointed a new security service provider and orientation and deployment at all the sites was completed
- During December 2015 SRM actively started to be involved on the project for Pikitup Relocation to Jorrisen building, relocation of Biometric system, erection of the new control room at Jorrisen Place and installation of CCTV Camera to cover depots and landfills.

## 12.8 Facility Management

### 12.8.1 Unscheduled Maintenance

**Table 12-5: Current Status of Unscheduled Maintenance**

		Quarter 1	Quarter 2	Quarter 3	Quarter 4
Total number of faults reported		262	132		
Completed	Routine	181			
	Urgent	37			
	Emergency	13			
Not completed (Work in Progress)	Routine	24			
	Urgent	3			
	Emergency	4			

Facilities Department is currently working with the Capex Department to curb the burden of maintenance requirement on Pikitup Facilities. This goal is achieved through the implementation of Depots, Landfills and Garden Sites Upgrading Projects. The minor maintenance projects are executed through the Request for Quotation (RFQ) processes. The major challenge faced regarding the non-implementation of maintenance projects is the unavailability of Budgets for execution.

The maintenance department is conducting condition assessments that will assist in the planning of preventative maintenance programs and renovation projects. The assessments will be used to build a history that will assist in long term planning.



## 12.8.2 Depot Refurbishments

### Randburg Depot

Contactors appointed for Building of the retaining wall, Offices, Hall, Storeroom, building parking space and renovation of the ablution facilities. The details of work delays on site will be sent to the Project Manager by the contractor, together with the request of Extension of Time towards the completion date. The Project Manager will issue the outcome of the request and detail the application of penalties whereby the delays to the works were caused by the Contractor.

The project Contract Commencement Date: April 2015  
Contract Completion Date: January 2016.  
Current status: 40% Total work completed

- Retaining wall: 100% completion.
- Offices and Hall: 20% completion.
- Stores: 25% Completion.

Renovation of Ablution Facilities: 10% completion.

### Zondi Depot

Nako Development Projects was appointed for construction of New Male Ablution Facility, Guard House, Parking Area, and Maintenance to Existing Stores, Renovations and Alterations of Offices at Zondi Depot.

The project Contract Commencement Date: March 2015  
Contract Completion Date: September 2015.  
Current status: 85% Total work completed  
Contract Value: R 11 485 532.42 (VAT Inclusive).

The project also includes the following:

- Parking area for the trucks to be paved, install kerbing, barriers, retaining wall and storm water network.
- New parking area for staff and visitors with light steel structure.
- Paint the roof of the existing office block.
- Electrical Reticulation all buildings to be checked and repaired. A compliance certificate to be issued.
- Main entrance to the existing building to be renovated.
- Repair all walls with rising damp and movement cracks
- Construct a concrete apron slab around the existing office building.
- Repair all asphalt road surfaces.
- Re-paint all road markings.
- Construct Loffelstein retaining wall and repair the edge of the road on the southern side of the camp.
- Install concrete kerbing.
- Renovate the Guardhouse.

The Project Manager instructed the Contractor during the site meeting to send the details of work delays on site, together with the request of Extension of Time towards the completion date. The

Project Manager will issue the outcome of the request and detail the application of penalties whereby the delays to the works were caused by the Contractor.

### **Norwood Depot**

Johannesburg Property Company is undertaking a relocation / consolidation program for Pikitup, Johannesburg Parks and Johannesburg road agency in the Norwood area. JPC has started with the preliminary designs. As soon as the preliminary designs are complete they will be presented for comment.

### **Selby Depot**

Johannesburg Development Agency started the process of design build and relocate the depot. This process was interrupted due to the high cost of the ground stabilisation with regards to the previous proposal. No further information or proposals have been presented to Pikitup.

### **Garden Site Refurbishments**

Facility Department established a standard facility condition assessment form. The documents were utilised to establish the short and medium term plans for the repairs and maintenance on the garden sites. Unscheduled maintenance is done on sites where issues such as theft, vandalism and normal defects are reported.

Scope of work for refurbishment of garden sites was submitted to CAPEX and site visits were conducted on the following facilities:

- Strandloper GS,
- Falcon GS,
- Tuinfluiter GS,
- Spreeu GS and
- Ceda Road GS.

The projects implementation of other Garden Sites will be done upon the availability and allocation of budget through Capex Department.

### **Head Office Relocation**

The Head office relocation has reached more than 95% construction completion. The official head office relocation was done on the 14<sup>th</sup> December 2015. The defect list on the entire building, will be compiled on Friday 18 December 2015. It is envisaged that all snags will be completed by Mid-February 2016.

### **13 FINANCIAL PERFORMANCE AND EXPOSURE**

The results for the quarter (October to December 2015) were consistently positive for Pikitup with a surplus of R 61.440m generated as a result of Domestic Income being over budget and well as expenditure being below budget in total. For the first quarter (July to September 2015) a surplus of R 72.598m was generated, resulting in a year to date surplus of R 134.038m.

Revenue for the quarter is R 22.839m (4.6%) above budget. The additional revenue can mainly be attributed to domestic revenue being R 25.625m over budget.

Expenditure for the quarter is less than budget by R 32.618m (6.6%). A large portion of the saving relates to fleet costs (R 19.127m), contractor costs (R18.202m) and other expenses (R 14.605m); whilst the bad debt provision, staff and interest costs are over budget.

The estimated cost for the illegal strike from the 23<sup>rd</sup> of November to the 4<sup>th</sup> of December 2015 is R7.7m (excluding any saving on staff costs) and the revenue lost from commercial activities amounts to approximately R 2.5m. The saving relating to staff costs must still be quantified and will be processed during the third quarter.

**Table 13-1: Analysis of Pikitup Financial Performance**

	Commercial (Quarter 2 - October to December 2015)				Core (Quarter 2 - October to December 2015)				Total Pikitup (Quarter 2 - October to December 2015)				Commercial (YTD - December 2015)				Core (YTD - December 2015)				Total Pikitup (YTD - December 2015)			
	Actual	Budget	Var	Var	Actual	Budget	Var	Var	Actual	Budget	Var	Var	Actual	Budget	Var	Var	Actual	Budget	Var	Var	Actual	Budget	Var	Var
	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	%	R'000	R'000	R'000	%
TOTAL REVENUE	42 299	46 869	(4 570)	-9.8%	478 288	450 879	27 409	6.1%	520 587	497 748	22 839	4.6%	103 915	95 611	8 304	8.7%	937 101	901 758	35 343	3.9%	1 041 017	997 369	43 647	4.4%
COMMERCIAL	38 639	45 850	(7 211)	-15.7%	0	0	0	0.0%	38 639	45 850	(7 211)	-15.7%	96 520	93 574	2 946	3.1%	0	0	0	0.0%	96 521	93 574	2 946	3.1%
DOMESTIC	0	0	0	0.0%	294 567	268 941	25 625	9.5%	294 567	268 941	25 625	9.5%	0	0	0	0.0%	570 605	537 883	32 722	6.1%	570 605	537 883	32 722	6.1%
CITY CLEANING LEVY	0	0	0	0.0%	17 760	17 961	(201)	-1.1%	17 760	17 961	(201)	-1.1%	0	0	0	0.0%	36 639	35 922	717	2.0%	36 639	35 922	717	2.0%
SERVICE FEE	0	0	0	0.0%	159 052	159 052	0	0.0%	159 052	159 052	0	0.0%	0	0	0	0.0%	318 104	318 104	0	0.0%	318 104	318 104	0	0.0%
OTHER & GRANT REVENUE	3 660	1 018	2 641	259.3%	3 413	3 979	(565)	-14.2%	7 073	4 997	2 076	41.5%	7 395	2 037	5 358	263.0%	6 974	7 957	(983)	-12.3%	14 369	9 994	4 375	43.8%
SWEEPING ACCOUNT INTEREST	0	0	0	0.0%	3 497	946	2 551	269.6%	3 497	946	2 551	269.6%	0	0	0	0.0%	4 779	1 892	2 887	152.6%	4 779	1 892	2 887	152.6%
TOTAL EXPENSES	46 535	47 690	1 154	2.4%	412 613	444 076	31 463	7.1%	459 148	491 765	32 618	6.6%	91 667	94 522	2 855	3.0%	815 312	876 155	60 843	6.9%	906 979	970 677	63 698	6.6%
STAFF COST	12 816	12 342	(473)	-3.8%	207 484	198 340	(9 145)	-4.6%	220 300	210 682	(9 618)	-4.6%	25 911	24 924	(987)	-4.0%	412 344	399 520	(12 824)	-3.2%	438 255	424 443	(13 812)	-3.3%
BAD DEBT PROV	15 575	10 763	(4 812)	-44.7%	23 404	16 174	(7 230)	-44.7%	38 979	26 937	(12 042)	-44.7%	26 338	21 527	(4 812)	-22.4%	39 533	32 348	(7 185)	-22.2%	65 871	53 875	(11 997)	-22.3%
DEPRECIATION	3 239	2 926	(313)	-10.7%	13 632	18 384	4 752	25.8%	16 871	21 310	4 439	20.8%	5 650	5 120	(530)	-10.4%	28 973	32 172	3 200	9.9%	34 623	37 292	2 669	7.2%
INTEREST	644	535	(109)	-20.4%	7 473	4 626	(2 847)	-61.5%	8 117	5 161	(2 956)	-57.3%	1 249	1 069	(180)	-16.8%	14 194	9 252	(4 942)	-53.4%	15 444	10 321	(5 122)	-49.6%
REPAIRS & MAINTENANCE	24	141	117	82.9%	960	1 280	320	25.0%	984	1 421	437	30.7%	24	305	280	92.0%	1 076	2 687	1 611	60.0%	1 100	2 992	1 891	63.2%
CONTRACTORS	2 471	2 676	205	7.7%	46 156	64 152	17 997	28.1%	48 626	66 828	18 202	27.2%	4 891	5 351	460	8.6%	85 294	121 700	36 406	29.9%	90 185	127 051	36 866	29.0%
OTHER EXPENSES	1 934	3 721	1 787	48.0%	41 890	54 708	12 818	23.4%	43 824	58 429	14 605	25.0%	3 714	7 434	3 720	50.0%	75 899	109 098	33 198	30.4%	79 613	116 531	36 918	31.7%
INTERCOMPANY EXP	841	1 178	337	28.6%	1 501	1 590	88	5.5%	2 343	2 768	425	15.4%	2 034	2 356	322	13.7%	2 980	3 179	200	6.3%	5 014	5 536	522	9.4%
FLEET	8 992	13 408	4 416	32.9%	70 112	84 822	14 711	17.3%	79 104	98 230	19 127	19.5%	21 854	26 436	4 582	17.3%	155 019	166 199	11 180	6.7%	176 873	192 636	15 762	8.2%
SURPLUS/(DEFCIT)	(4 236)	(821)	(3 415)	-416.2%	65 676	6 803	58 873	865.4%	61 440	5 983	55 457	927.0%	12 248	1 089	11 160	1024.8%	121 789	25 603	96 186	375.7%	134 038	26 692	107 346	402.2%
Legend	More than 5% negative				0% to 5% negative				0%				0% to 5% positive				More than 5% positive				Legend			

## 13.1 Revenue

**Table 13-2: Total Income Generated from Commercial and Business Revenue**

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual	Budget	Var	Var	Actual	Budget	Var	Var
	R'000	R'000	R'000	%	R'000	R'000	R'000	%
Bulk Container Services	8 598	10 101	(1 503)	-14.9%	21 144	22 248	(1 104)	-5.0%
Landfill Fees	1 279	7 847	(6 568)	-83.7%	17 225	15 521	1 704	11.0%
Business RCR	25 179	23 242	1 937	8.3%	49 472	46 483	2 989	6.4%
Business Dailies	3 584	4 655	(1 071)	-23.0%	8 679	9 309	(630)	-6.8%
Safe Disposal	-	6	(6)	-100.0%	-	12	(12)	-100.0%
<b>Total Commercial Services</b>	<b>38 639</b>	<b>45 850</b>	<b>(7 211)</b>	<b>-15.7%</b>	<b>96 521</b>	<b>93 574</b>	<b>2 946</b>	<b>3.1%</b>

A negative trend exists for the commercial activities for the quarter.

### Bulk Container Services

Bulk Container Services has been negatively affected in the past financial years as a result of low vehicle availability; though has now been alleviated with the delivery of new vehicles. With the more stable fleet (new vehicles experience less downtime on average) billing results had improved in the first quarter to R 12.546m, however this trend was not extended to the second quarter where billing decreased to R 8.598m, lower than budget by R 1.503m. This is partly due to lifts not completed during the strike in the quarter.

### Landfill Fees

With the construction of new weigh bridges at the landfills the accuracy of billing will improve, currently the landfill billing is manually based on the maximum load per vehicle. The lack of billing from October onwards has negatively impacted the results for the quarter, however the activity is over budget for the year to date.

### Business RCR

Business RCR is the largest of the commercial activities accounting for 51.3% of the commercial income and has shown a positive billing trend being ahead of budget for the quarter and the year to date.

### Business Dailies

Revenue from Business Dailies is under budget for the quarter and year to date. There is a potential for growth in this revenue stream as was highlighted in the commercial business revenue strategy.

## City Cleaning Levy

Table 13-3: City Cleaning Levy

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
City Cleaning Levy	17 760	17 961	(201)	-1.1%	36 639	35 922	717	2.0%

The City Cleaning Levy is in line with budget for both the quarter and the year to date.

## CoJ Service Fee compared to Non Billable Services

Table 13-4: CoJ Service Fee

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
CoJ Service Fee	159 052	159 052	-	0.0%	318 104	318 104	-	0.0%

The service fee is paid to Pikitup by the City to cover the cost of non-billable services such as illegal dumping, the cleaning of informal settlements, garden sites and a major portion of street cleaning. Income is in line with the budget for the quarter and the year.

The service fee of R 159.052 million (as shown above) for the quarter is insufficient to cover the direct costs of R 185.985 million as shown below.

The budget shortfall for these services is supplemented by profits from other income generating activities e.g. Domestic RCR to achieve a balanced budget.

Table 13-5: Non Billable Services

Direct Costs Only	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
Informal Settlements	24 163	28 013	3 849	13.7%	49 363	54 080	4 716	8.7%
Street Sweeping	130 238	131 142	904	0.7%	253 497	261 424	7 927	3.0%
Illegal Dumping	12 844	14 941	2 097	14.0%	29 451	29 901	450	1.5%
Garden Sites	18 739	19 986	1 247	6.2%	37 007	39 894	2 887	7.2%
<b>Total Direct Costs</b>	<b>185 985</b>	<b>194 082</b>	<b>8 097</b>	<b>4.2%</b>	<b>369 319</b>	<b>385 299</b>	<b>15 980</b>	<b>4.1%</b>

## 13.2 Expenditure

### Salaries and Related Costs

Table 13-6: People Costs

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
Basic Salaries	135 193	129 533	(5 660)	-4.4%	269 431	259 065	(10 366)	-4.0%
Staff Bonus	11 215	11 430	215	1.9%	22 909	22 861	(48)	-0.2%
Overtime	14 266	15 355	1 089	7.1%	28 276	30 309	2 032	6.7%
Leave Provision	5 262	3 111	(2 151)	-69.1%	15 862	7 777	(8 085)	-104.0%
Pension Fund Contributions	21 249	23 411	2 162	9.2%	42 657	46 822	4 166	8.9%
Medical Aid	12 318	12 347	29	0.2%	24 806	24 693	(112)	-0.5%
Other Staff Costs	20 797	15 495	(5 302)	-34.2%	34 314	32 915	(1 399)	-4.2%
<b>Total Staff Costs</b>	<b>220 300</b>	<b>210 682</b>	<b>(9 618)</b>	<b>-4.6%</b>	<b>438 255</b>	<b>424 443</b>	<b>(13 812)</b>	<b>-3.3%</b>

Staff costs are R 9.618m over budget for the quarter and R 13.812m over budget for the year to date. It is expected that staff costs will remain over budget for the remainder of the financial year if a budget increase is not approved as part of the revised budget, as the SALGA increment was higher than the 4.0% allowed by the City in the original budget process. The leave provision is expected to reduce once the leave taken during the December/January holiday season is processed on SAP.

### Fleet Costs

Table 13-7: Fleet and related costs

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
Fleet: Lease	30 297	45 946	15 649	34.1%	80 420	91 893	11 472	12.5%
Fleet: Fuel	14 178	14 628	450	3.1%	27 292	29 256	1 964	6.7%
Fleet: R&M	18 393	18 565	172	0.9%	37 936	37 166	(769)	-2.1%
Fleet: Interest & Depreciation	16 236	19 091	2 855	15.0%	31 226	34 321	3 095	9.0%
<b>Total Fleet Costs</b>	<b>79 104</b>	<b>98 230</b>	<b>19 127</b>	<b>19.5%</b>	<b>176 873</b>	<b>192 636</b>	<b>15 762</b>	<b>8.2%</b>

Fleet costs in total are 19.5% under budget for the quarter as a result of a rigorous program to defleet ad-hoc vehicles made possible by the implementation of Jozi@Work in certain areas as well as an ongoing RCR round balancing exercise.

The savings for the quarter for fuel is expected to be eroded due to predicted increases in the fuel price.

Whilst closely aligned to budget for the quarter, a budget shortfall exists for the repairs and maintenance costs for fleet for the full financial year – this will be corrected as part of the revised budget process.

The fleet interest and depreciation costs relate to the CoJ owned fleet. The saving relates to the roll out of new vehicles being slower than expected.

## Bad Debt Provision

Table 13-8: Bad Debts Split Between Core and Commercial Services

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
Domestic	16 684	11 530	(5 154)	-44.7%	28 213	23 059	(5 154)	-22.4%
City Cleaning	6 720	4 644	(2 076)	-44.7%	11 319	9 288	(2 031)	-21.9%
<b>Core</b>	<b>23 404</b>	<b>16 174</b>	<b>(7 230)</b>	<b>-44.7%</b>	<b>39 533</b>	<b>32 348</b>	<b>(7 185)</b>	<b>-22.2%</b>
Commercial	15 575	10 763	(4 812)	-44.7%	26 338	21 527	(4 812)	-22.4%
<b>Total Provision for Bad Debt</b>	<b>38 979</b>	<b>26 937</b>	<b>(12 042)</b>	<b>-44.7%</b>	<b>65 871</b>	<b>53 875</b>	<b>(11 997)</b>	<b>-22.3%</b>

The bad debt provision relates to both commercial and core (Domestic and City Cleaning) debtors and the provisions raised are over budget for the quarter and year to date as a result of:

- Provision for ESP customers increased with R 4.3m from June to October 2015;
- Provision for Deceased customers and liquidations increased by R 7.7m and R 1.5m respectively over the same period;
- Customers handed over increased by R 46.9m from June to October 2015.

## Third Party Contractors

Table 13-9: Contracted Service

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
Contract Waste Cleaning	19 688	30 804	11 116	36.1%	35 191	55 003	19 812	36.0%
Casual Service	500	1 612	1 112	69.0%	707	3 224	2 517	78.1%
Mobile Plant Hire	28 100	29 332	1 232	4.2%	53 880	58 664	4 784	8.2%
Separation at Source	339	5 080	4 741	93.3%	408	10 160	9 752	96.0%
<b>Total Third Party Costs</b>	<b>48 626</b>	<b>66 828</b>	<b>18 202</b>	<b>27.2%</b>	<b>90 185</b>	<b>127 051</b>	<b>36 866</b>	<b>29.0%</b>

Budget provision was made available for the roll out of the Jozi@Work and Separation@Source programs but due to a delay in the implementation savings of R 11.116m and R 4.741m have been realised for the two projects respectively.

The Jozi@Work project is being rolled out to low income areas whereas Separation@Source focusses on medium to high income areas. Jozi@Work is currently targeting 210 118 housing units with a further 4 976 housing units targeted in the third quarter. The total budget for the project for the year is R107m and no budget saving is expected at financial year end. A tender is currently in process to source service providers for the Separation@Source project.

Budget for the hire of casual workers has been ring-fenced for the upcoming municipal elections, although additional staff were required for cleaning operations over the festive season and during the strike. For the quarter and year to date the costs remain under budget.



Other Expenses

**Table 13-10: Other Expenses**

Description	Quarter 2 (Oct to Dec 2015)				Year to Date (Dec 2015)			
	Actual R'000	Budget R'000	Var R'000	Var %	Actual R'000	Budget R'000	Var R'000	Var %
Landfill Rehab Provision	8 085	10 067	1 982	19.7%	16 170	20 135	3 965	19.7%
Disposal Fees: Land	6 440	6 446	6	0.1%	12 550	12 892	342	2.7%
Guarding Of Property	4 796	5 473	677	12.4%	9 479	10 946	1 467	13.4%
Bin Liners	3 638	7 731	4 093	52.9%	7 035	15 463	8 428	54.5%
Rents	4 663	1 981	(2 683)	-135.4%	6 542	3 962	(2 580)	-65.1%
IT Costs	3 718	3 340	(378)	-11.3%	6 147	6 680	532	8.0%
Electricity Supply	1 057	920	(137)	-14.9%	1 813	1 967	154	7.8%
Contractors: Cell	849	1 064	215	20.2%	1 750	2 128	378	17.8%
Legal Expenses	215	1 172	957	81.7%	1 372	2 344	972	41.5%
Stores And Materials	454	1 013	559	55.2%	1 354	2 027	673	33.2%
Consultants Fees	1 071	2 208	1 137	51.5%	1 309	3 955	2 646	66.9%
Director's Fees	465	691	226	32.7%	1 241	1 555	314	20.2%
Water Supply	730	574	(156)	-27.2%	1 189	1 148	(41)	-3.6%
Other	7 642	15 749	8 106	51.5%	11 664	31 331	19 668	62.8%
<b>Total Other Expenses</b>	<b>43 824</b>	<b>58 429</b>	<b>14 605</b>	<b>25.0%</b>	<b>79 613</b>	<b>116 531</b>	<b>36 918</b>	<b>31.7%</b>

For the quarter the expenditure is under budget by R 14.605m which is mainly due to lower than expected expenditure for items relating to discretionary and project related expenditure. Other expenditure is expected to increase in the third and fourth quarters.

- The landfill rehabilitation provision is only estimated during the financial year and thus the saving compared to budget for the quarter and year to date should not be construed as a trend that will continue toward financial year end.
- The new guarding contract came into effect later than expected resulting in the budget saving for the quarter and year to date.
- The savings relating to bin liners and environmental education will decrease once the community based cleaning projects are implemented in more areas.
- Rental costs are significantly over budget for the quarter as a result of the payment for both the new and old head office buildings; this will be corrected as part of the revised budget process.
- IT costs are marginally higher than budget for the quarter due to an increase in cost for the internet services as part of the extended agreement. The increase will be rectified as part of the revised budget process.
- Service charges (both electricity and water) are over budget for the quarter due to payments relating to both the old and new head office buildings.
- Cell phone costs are lower than budgeted for the year due to stricter controls implemented.
- Legal costs are under budget for the year to date, though costs relating to the strike that started in November 2015 are expected to erode the budget saving.
- The stores and material budget is overstated and this will be corrected as part of the revised budget process.

- Consultant fee costs are ad-hoc in nature and thus variances compared to budget are expected.
- Directors fees shows a saving compared to budget for the year to date. The payments for the extra meetings held in December 2015 relating to the strike have yet to be processed and will increase costs in the third quarter.

### 13.3 Financial Ratios

Table 13-11: Financial Ratios per Quarter

Financial Ratios	Previous Year end	Q1 (Sep 2015)	Q2 (Dec 2015)	Dec (YTD) 2014	Target
Remuneration: Expenditure	41.81%	48.67%	47.99%	48.32%	43.24%
Maintenance: Expenditure	0.16%	0.03%	0.21%	0.12%	0.39%
Interest: Expenditure	0.98%	1.64%	1.77%	1.70%	1.03%
Net operating margin	3.27%	13.95%	11.81%	12.88%	0.00%

The increase in the ratio of remuneration to total expenditure from 41.81% in the prior financial year to 47.99% is due to the low levels of expenditure for both discretionary and project related expenditure.

The interest to expenditure ratio has increased as a result of the CoJ loans created due to the high level of capital expenditure in the 2014/15 financial year.

### 13.4 Fruitless and Wasteful Expenditure

There is no known fruitless and wasteful expenditure for the quarter.

### 13.5 Statement of Financial Position

Pikitup Johannesburg (SOC) Limited				
Statement of Financial Position as at 31 December 2015				
June		ACTUAL	BUDGET	VARIANCE
ACTUAL		Note		
R'000		R'000	R'000	R'000
	<b>Assets</b>			
<b>877 525</b>	<b>Non-Current Assets</b>	<b>889 978</b>	<b>941 240</b>	<b>-51 262</b>
740 328	Property, plant and equipment	1 753 113	802 659	-49 546
6 738	Intangible assets	6 406	8 123	-1 716
110 413	Loans to shareholders	110 413	110 413	-
20 046	Investment in associates	20 046	20 046	-
<b>1 187 406</b>	<b>Current Assets</b>	<b>1 854 216</b>	<b>1 858 385</b>	<b>-4 169</b>
4 444	Inventories	2 5 274	5 595	-321
565 130	Loans to shareholders	3 1 347 148	1 468 417	-121 269
616 000	Trade and other receivables	4 499 992	382 536	117 456
1 778	Amount owed by SARS	1 778	1 778	-
54	Cash and cash equivalents	24	59	-35
<b>2 064 930</b>		<b>2 744 194</b>	<b>2 799 625</b>	<b>-55 431</b>
	<b>EQUITY AND LIABILITIES</b>			
<b>151 111</b>	<b>CAPITAL AND RESERVES</b>	<b>285 149</b>	<b>151 111</b>	<b>-134 038</b>
1	Share Capital	1	1	0
43 002	Owners Contribution	43 002	43 002	-
108 108	Accumulated surplus / (deficit)	242 146	108 108	-134 038
	<b>Liabilities</b>			
<b>1 366 925</b>	<b>Non-Current Liabilities</b>	<b>1 370 039</b>	<b>1 370 039</b>	<b>0</b>
563 611	Loans from shareholders	3 563 611	563 611	0
162 526	Finance lease obligation	161 314	161 314	0
89 725	Retirement benefit obligation	89 725	89 725	0
551 064	Provisions	555 389	555 389	0
<b>546 894</b>	<b>Current Liabilities</b>	<b>1 089 006</b>	<b>1 278 475</b>	<b>-189 469</b>
0	Loans from shareholders	2 811 274	1 019 476	-208 202
34 879	Finance lease obligation	34 879	34 879	0
491 607	Trade and other payables	5 224 926	203 712	21 214
20 408	Provisions	6 17 928	20 408	-2 480
<b>2 064 930</b>		<b>2 744 194</b>	<b>2 799 625</b>	<b>-323 507</b>

**Notes**

<b>1. Property Plant and Equipment</b>	<b>Actual R'000</b>	<b>Budget R'000</b>	<b>Variance R'000</b>
Land	3 972	3 972	-
Buildings	144 116	97 206	46 910
Office Equipment	765	900	-135
Furniture and Fittings	7 289	8 105	-816
Bins and Containers	120 494	101 689	18 806
Plant and Equipment	35 605	41 345	-5 740
Landfills	240 842	313 123	-72 281
IT Equipment	8 679	9 743	-1 064
Signage	2 280	2 544	-264
Cellphones			
Motor Vehicle	189 070	223 962	-34 892
<b>Total</b>	<b>753 113</b>	<b>802 659</b>	<b>-49 476</b>
<b>Intangible Assets</b>			
Intangible Assets	6 406	8 123	-1 716

<b>2. Inventories</b>	<b>Actual R'000</b>	<b>Budget R'000</b>	<b>Variance R'000</b>
Equipment	209	203	6
Bin Liners	2 172	2 263	-92
Protective Clothing	826	912	-86
Consumable Stock	917	996	-79
Compost Stock	319	1 220	-901
		-	
<b>Total</b>	<b>5 274</b>	<b>5 595</b>	<b>-321</b>

<b>3. Loans to /from Shareholders.</b>	<b>Actual R'000</b>	<b>Budget R'000</b>	<b>Variance R'000</b>
Notional Loans in respect of Post Retirement Benefit	110 413	110 413	-
Unsecured Loans - (Current Assets )	1 344 136	1 384 300	-40 164
Unsecured Loans Sweeping - (Current Assets )	3 012	84 117	-81 105
Unsecured Loans - Current Liabilities	-811 274	-1 019 476	208 202
Capex Loans (Non Current Liabilities)	-302 233	-302 233	-
Second Unsecured Loans (Non Current Liabilities)	-261 377	-261 377	-
<b>Total</b>	<b>82 677</b>	<b>-4 256</b>	<b>86 933</b>
Non Current Assets	110 413	110 413	-
Current Assets	1 347 148	1 468 417	-121 269
Non Current Liabilities	-563 611	-563 611	-
Current Liabilities	-811 274	-1 019 476	208 202
<b>Total</b>	<b>82 677</b>	<b>-4 256</b>	<b>86 933</b>

<b>4. Trade and other receivables</b>	<b>Actual R'000</b>	<b>Budget R'000</b>	<b>Variance R'000</b>
Trade Debtors	499 979	382 523	117 456
Amounts paid in advance	13	13	-
<b>Total</b>	<b>499 992</b>	<b>382 536</b>	<b>117 456</b>

<b>5. Trade and other payables</b>	<b>Actual R'000</b>	<b>Budget R'000</b>	<b>Variance R'000</b>
Accrued Leave	-52 452	-52 452	-
Trade Creditors	-172 473	-151 260	-21 214
<b>Total</b>	<b>-224 926</b>	<b>-203 712</b>	<b>-21 214</b>

<b>6. Provision</b>	<b>Actual R'000</b>	<b>Budget R'000</b>	<b>Variance R'000</b>
Performance Bonus	-17 928	-20 408	2 480
Rehabilitation of landfill sites - Closed landfill	-155 880	-155 880	-
Rehabilitation of landfill sites - Open landfill	-399 509	-399 509	-
<b>Total</b>	<b>-573 317</b>	<b>-575 798</b>	<b>2 480</b>

### **1. Property Plant and Equipment**

The variance in Property, plant and equipment is attributable to delayed spending on capex projects.

### **3. Loans to /from Shareholders.**

The loans from shareholders is mainly attributable to the amounts owing to/ from shareholder

### **4. Trade and other receivables**

The variance is mainly attributable to debtors outstanding at the end of the period.

### **5. Trade and other payables**

The variance is mainly attributable to trade creditors not yet paid at the end of the period.

### **7. Cashflow**

The sweeping account as at 31 December amounted to R3 Million.

### 13.6 Cash Flow Statement

**Pikitup Johannesburg (SOC) Ltd**  
**STATEMENT OF CASH FLOW**

<i>R '000's</i>	<u>Actual</u>	<u>Revised Budget</u>	<u>Variance</u>
Profit Before Interest and Taxes	111,386	147,949	-36,563
Add: Depreciation and amortisations	34,623	29,286	5,337
Less/Add: Interest received /(paid)	22,652	20,715	1,937
<b>Cash generated from operations</b>	<b>168,661</b>	<b>197,950</b>	<b>-29,289</b>
Change in Net Working Capital	-120,403	-154,353	33,950
(Increase)/Decrease in stock	-830	-	-830
(Increase)/Decrease in debtors	116,008	106,040	9,968
(Increase)/Decrease in intercompany debtors	-782,018	-1,111,023	329,005
Increase/(Decrease) in creditors	-266,681	-182,957	-83,724
Increase/(Decrease) in accruals and provisions	1,845	14,112	-12,267
Increase/(Decrease) in short term portion of LTL	811,274	1,019,476	-208,202
<b>Net cash generated from / (absorbed by) operations</b>	<b>48,258</b>	<b>43,597</b>	<b>4,661</b>
<b>Cash impact from investing activities</b>	<b>-47,076</b>	<b>-43,592</b>	<b>-3,484</b>
(Increase)/decrease in intangible assets	-34,291	-20,412	-13,880
(Increase)/decrease in fixed assets	-12,785	-23,180	10,396
<b>Cash impact from financing activities</b>	<b>-1,212</b>	<b>0</b>	<b>-1,212</b>
(Increase)/decrease in shareholder loans	-0	0	-0
(Increase)/decrease in long term liabilities	-1,211	-	-1,211
Net movement in cash position	-30	5	-35
Add: Opening favourable cash position	54	54	-
<b>Closing net cash position</b>	<b>24</b>	<b>59</b>	<b>-35</b>

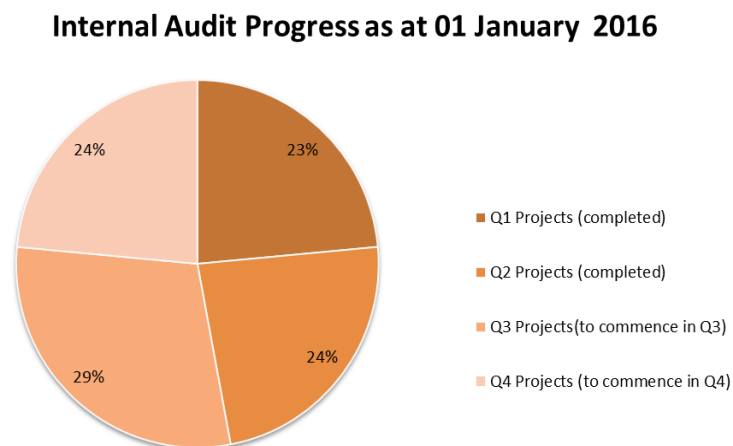
## 14 INTERNAL AND EXTERNAL AUDIT FINDINGS

### 14.1 High Level Overview of Progress against 2015/16 Internal Audit Coverage Plan

The chart below serves to indicate an overview of the progress made to date against the Internal Audit Plan for the 2015/16 financial year.

#### 14.1.1 Yearly progress

Figure 14-1: Internal Audit progress as at 1 January 2016



As at 01 January 2016, Internal Audit achieved 100% of projects planned for quarter 2. Year to date, we achieved 47% of planned projects for the year. This achievement excludes investigations/special projects completed during the quarter.

#### 14.1.2 Quarterly progress

The chart below indicates quarterly progress and year to date:

Figure 14-2: Quarterly progress

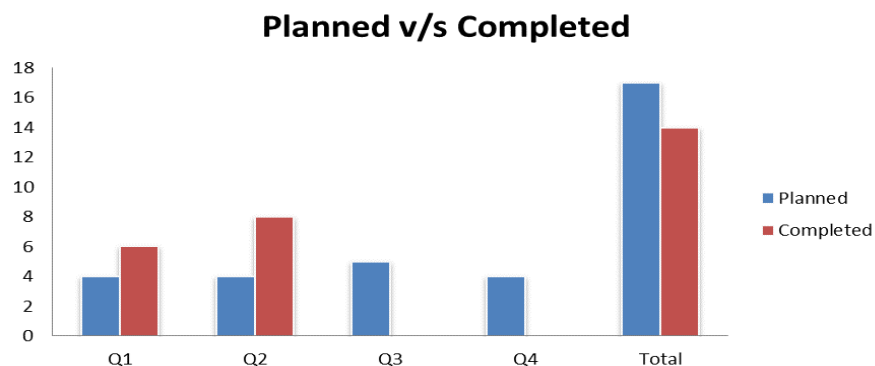


Figure 2 above, further indicates that we exceeded the planned target by completing four additional audit projects that was not planned for. We completed one tender review and three forensic audits as part of consulting engagements. This represents an achievement of 200% for the quarter implying that we exceeded the target by 100%.

### 14.1.3 Year to date overall audit assessment

**Table 14-1: Year to date overall assessment**

Quarter	Audit Plan	Residual Risk Rating	IA control Rating	Nature of Audit	Progress Status
Quarter 1	Separation at Source Full Audit including Follow-up Audit (CE)			Full Audit	Completed
	Communication & Stakeholder Management Full Audit (CE)			Full Audit	Completed
	Jozi @ Work Full Audit (CE)			Full Audit	Completed
	Audit of Pre-determined Objectives (AE)			Full Audit	Completed
	Tender Review 1: Appointment of a panel of consulting engineers (CE)			Full Audit	Completed
	Tender Review 2: Security Tender (CE)			Full Audit	Completed
Quarter 2	Compliance Full Audit including Follow-up Audit (AE)			Full Audit	Completed
	Health and Safety Full Audit (AE)			Full Audit	Completed
	Human Resource Management Full Audit including Follow-up Audit (CE)			Full Audit	Completed
	Payroll Management Full Audit including Follow up Audit (including data analytics) (CE)			Full Audit	Completed
<b>Overall control assessment based on Q1 and Q2 projects.</b>		<b>Controls are partially adequate and partially effective.</b>			
<b>Overall audit findings rating for Q1 and Q2 projects.</b>		<b>Significant weaknesses in the system of internal controls noted.</b>			



#### 14.1.4 Overview of internal audit ratings per scope areas

Table 14-2: Overview of internal audit ratings per scope area

Audit area	Analysis of findings by category				Total	Overall audit risk ratings
	Number of Findings					
	0	4	4	0		
<b>Q1 – Audit Projects</b>						
Separation at Source Full Audit including Follow-up Audit (CE)	0	4	4	0	8	
Jozi @ Work Full Audit (CE)	0	4	4	0	8	
Communication & Stakeholder Management Full Audit (CE)	0	5	0	0	5	
Audit of Pre-determined Objectives (AE)	0	1	0	0	1	
Tender Review 1: Appointment of a panel of consulting engineers (CE)	0	0	0	6	6	
Tender Review 2: Security Tender (CE)	0	6	0	0	6	
<b>Q2 – Audit Projects</b>						
Compliance Full Audit including Follow-up Audit (AE)	0	2	2	0	4	
Health and Safety Full Audit (AE)	0	5	1	0	6	
Human Resource Management Full Audit including Follow-up Audit (CE)	4	10	2	0	16	
Payroll Management Full Audit including Follow up Audit (including data analytics) (CE)	3	4	2	0	9	
Tender Review 3: Jozi@Work CSA Panel	0	3	0	2	5	
<b>Total findings per audit</b>	<b>7</b>	<b>44</b>	<b>15</b>	<b>8</b>	<b>74</b>	
<b>Percentage distribution</b>	<b>10%</b>	<b>60%</b>	<b>20%</b>	<b>10%</b>	<b>100%</b>	
<b>Overall control assessment based on Q1 and Q2 projects.</b>	<b>Controls are partially adequate and partially effective.</b>					
<b>Overall audit findings rating for Q1 and Q2 projects.</b>	<b>Significant weaknesses in the system of internal controls noted.</b>					

### 14.1.5 Control and impact Ratings

The table below indicates control ratings used:

**Table 14-3: Findings and control ratings**

Finding Rating	Description of the finding Rating	Control Ratings
Minor	No material weaknesses in control environment or material instances of non-compliance with established system of internal control identified.	Adequate and effective.
Less significant	Isolated areas of weaknesses in control environment and/or instances of non-compliance with established system of internal controls identified.	Partially adequate or partially effective.
Significant	Significant weaknesses in control environment and/or instances of non-compliance with the established system of internal controls identified.	Inadequate and ineffective
Critical	Pervasive weaknesses in control environment and/or instances of non-compliance with the established system of internal controls identified.	Totally inadequate and ineffective.

### 14.1.6 Control ratings descriptions

**Table 14-4: Control rating descriptions**

Descriptions	Control Rating		Guide
<b>Adequacy of controls</b>			
Fully adequate	0.25	Excellent	Controls are well designed to manage risk, are largely preventative and address the root causes. They are adequate to provide reasonable assurance that business objectives will be achieved Compensating controls exist to only support preventative controls. Nothing more to be done except review and monitor the existing controls.
Partially adequate	0.5	Good	Some controls are designed correctly to manage risk and treats some of the root causes of the risk. More work to be done to improve the design of the current controls.
Inadequate	0.75	Fair	The design of the current controls is not adequate to manage the risk and not aligned to root causes. Very limited degree of control is being achieved due to poor control design.
Totally inadequate	1.0	Poor	There are no controls in place to manage the risk and its related root causes.
<b>Effectiveness of controls</b>			
Fully effectiveness	0.25	Excellent	Controls are officially documented, in operation as intended and reliable at all times.
Partially effective	0.5	Good	Some controls are officially documented and operating. More work to be done to improve its documentation or operating effectiveness or reliability.
Ineffective	0.75	Fair	Most of the controls are not properly documented, not operating as intended and not reliable at all times. There may be an over-reliance on reactive controls.
Totally ineffective	1.0	Poor	Controls are not documented and not in operation

## 14.2 Progress on Resolution of Internal Audit Findings

Table 14-5: Progress on resolving IA findings for 2014/15 financial years

IA findings for 2014/15 financial year						
Quarter	Audit Projects	Total Findings	Resolved (management assertions)	Verified & confirmed by IA	Unresolved	% Resolved
Quarter 1	Asset Management Review (AE)	15	13	7 (5 partially resolved)	2	87%
	Budget Process Review (AE)	4	4	4	0	100%
	Weighbridge Management Review (AE)	15	11	11	4	73%
	Separation at source (AE)	9	5	5	4	56%
	Compliance Management Review (AE)	6	6	6	0	100%
	IT Data management review (AE)	9	0	0	9	0%
	Audit of predetermined Objectives (AE)	4	4	4	1	100%
	<b>Sub-total</b>	<b>62 (100%)</b>	<b>43 (69%)</b>	<b>37 (60%)</b>	<b>20 (32%)</b>	<b>69%</b>
Quarter 2	Human Resources Management	9	9	0	0	100%
	Payroll Management	14	3	3	11	21%
	Enterprise Risk Management	6	6	6	0	100%
	Audit of Pre-determined Objectives	10	10	10	0	100%
	<b>Sub-total</b>	<b>39 (100%)</b>	<b>28 (72%)</b>	<b>19 (49%)</b>	<b>11 (28%)</b>	<b>72%</b>
Quarter 3	Internal Financial Controls	21	19	19	2	90%
	Fleet Management	9	5	5	4	56%
	Revenue Management	47	32	32	15	68%
	Audit of Pre-determined Objectives	6	5	5	1	83%
	<b>Sub-total</b>	<b>83 (100%)</b>	<b>61 (73%)</b>	<b>61 (73%)</b>	<b>22 (27%)</b>	<b>73%</b>
Quarter 4	Contract Management	8	0	0	8	0%
	IT General Controls	13	0	0	13	0%
	IT Application Controls	8	0	0	8	0%
	Audit of Pre-determined Objectives	6	5	5	1	83%
	Investigation: Trolley and Bin	7	1	1	6	14%
	Investigation: Icon Furniture	8	1	1	7	13%
	<b>Sub-total</b>	<b>50 (100%)</b>	<b>7 (14%)</b>	<b>7 (14%)</b>	<b>43 (86%)</b>	<b>14%</b>
<b>Total number of findings</b>		<b>234</b>	<b>139</b>	<b>124</b>	<b>98</b>	<b>59%</b>
<b>Percentage</b>		<b>100%</b>	<b>59%</b>	<b>53%</b>	<b>41%</b>	<b>59%</b>
IA findings for 2015/16 financial year						
Quarter	Audit Projects	Total Findings	Resolved (management assertions)	Verified & confirmed by IA	Unresolved	% Resolved
Quarter 1	Separation at Source Full Audit including Follow-up Audit (CE)	8	0	0	8	0%
	Communication & Stakeholder	5	0	0	5	0%

Management Full Audit (CE)					
Jozi @ Work Full Audit (CE)	8	0	0	8	0%
Audit of Pre-determined Objectives (AE)	1	0	0	1	0%
<b>Sub-total</b>					

### 14.3 Progress on Resolution of External Audit Findings

Table 14-6: Progress on resolving AGSA audit findings

AG findings for 2012/13 financial year					
Area reviewed	Total findings	Resolved (management assertions)	Verified & confirmed by IA	Unresolved	% Unresolved
Revenue	9	7	7	2	22%
Supply Chain Management	7	7	7	0	0%
Human Resource Management	8	8	7	0	0%
Fleet	1	1	1	0	0%
Information Technology	3	3	3	0	0%
Performance	11	11	10	0	0%
Finance	10	10	10	0	0%
<b>Total</b>	<b>49 (100%)</b>	<b>47 (96%)</b>	<b>45 (90%)</b>	<b>2</b>	<b>4%</b>
AG findings for 2013/14 financial year					
Area reviewed	Total findings	Resolved (management assertions)	Verified & confirmed by IA	Unresolved	% Unresolved
Revenue	12	8	12 (6 not resolved)	4	33%
Audit of Predetermined Objectives	1	1	1	0	0%
Supply Chain Management	5	5	0	0	0%
Human Resource Management	2	0	2 (2 not resolved)	2	100%

Finance	9	9	7 (1 not resolved)	0	0%
Information Technology (IT)	6	2	0	4	67%
<b>Total</b>	<b>35 (100%)</b>	<b>25 (71%)</b>	<b>22 (63%)</b>	<b>10</b>	<b>29%</b>
<b>AG findings for 2014/15 financial year</b>					
<b>Area reviewed</b>	<b>Total findings</b>	<b>Resolved (management assertions)</b>	<b>Verified &amp; confirmed by IA</b>	<b>Unresolved</b>	<b>% Unresolved</b>
Human Resources	2	0	0	2	100%
Policies	1	0	0	1	100%
Property Plant and Equipment	1	0	0	1	100%
Audit of Predetermined Objectives	1	0	0	1	100%
Compliance	3	0	0	3	100%
Presentation and Disclosure	2	0	0	2	100%
Information technology	6	0	0	6	100%
<b>Total</b>	<b>16</b>	<b>0</b>	<b>0</b>	<b>16</b>	<b>100%</b>

All unresolved audit findings will be followed up before 30 June 2016.