



INTEGRATED ANNUAL REPORT

2024/25
FINANCIAL YEAR

In terms of Section 121 of the Municipal Finance Management Act 56 of 2003
and Section 46 of the Municipal Systems Act 32 of 2000



a world class African city



JOHANNESBURG
SOC Limited



JOHANNESBURG PIKITUP (SOC) LIMITED

COMPANY INFORMATION:



Registration
number

2000/029899/07



Registered
Address

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66 Jorissen Street
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Johannesburg 2001



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Address

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Telephone
number

(011) 712 5200



Website

www.pikitup.co.za



Bankers

Standard Bank of South
Africa Limited



Auditors

Auditor-General of
South Africa





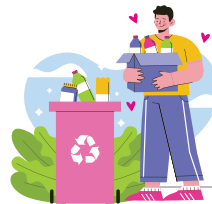
Vision

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



Mission

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



Values

P

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

I

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

K

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

I

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

T

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

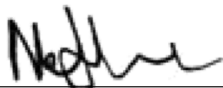
U

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

P

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

APPROVAL

	<u>28/11/2025</u>
Mr Litshani Matsila Chief Financial Officer	Date of approval
	<u>28/11/2025</u>
Ms Bukelwa Njingolo Managing Director	Date of approval
	<u>28/11/2025</u>
Mr Maxwell Nedzamba Chairperson of the Board	Date of approval
	<u>28/11/2025</u>
Dr Tebogo Modiba Executive Director: EISD	Date of approval
	<u>28/11/2025</u>
Cllr Jack Sekwaila MMC: EISD	Date of approval

KEY PERFORMANCE FUNCTIONS



ABBREVIATIONS

Abbreviation	Description
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
AIA	Approved Inspection Authority
ARC	Audit and Risk Committee
AVE	Advertising Value Equivalent
B-BBEE	Broad-Based Black Economic Empowerment
BCM	Business Continuity Management
BRN	Business registration number
CA	Chartered Accountant
CAE	Chief Audit Executive
Capex	Capital expenditure
CBD	Central Business District
CFO	Chief Financial Officer
CIDB	Construction Industry Development Board
COBIT	Control Objectives for Information and Related Technologies
COGTA	Department of Cooperative Governance and Traditional Affairs
COID	Compensation for Occupational Injuries and Diseases
CoJ	City of Johannesburg Metropolitan Municipality
CRUM	Citizen Relationship and Urban Management
CS	Corporate Services
CSM	Corporate Services Management
CSIR	Council for Scientific and Industrial Research
DEA	Department of Environmental Affairs
DFIR	Discomfort, fatigue, and injury rate
DFFE	Department of Forestry, Fisheries and the Environment
DIFR	Disabling injury frequency rate
DIO	Deputy Information Officer

ABBREVIATIONS

Abbreviation	Description
DPSA	Department of Public Service and Administration
DWS	Department of Water and Sanitation
EAP	Employee assistance programme
EE	Employment equity
EE Act	Employment Equity Act 55 of 1998
EISD	Environment and Infrastructure Services Department
EPWP	Extended Public Works Programme
ESS	Employee self service
eWASA	EPR Waste Association of South Africa
EXCO	Executive Committee
FM	Facilities Management
FML	Full maintenance lease
FY	Financial year
GDARD	Gauteng Department of Agriculture and Rural Development
GDED	Gauteng Department of Economic Development
GDS 2040	City of Johannesburg Growth and Development Strategy
GFIS	Group Forensic and Investigation Service
GRAP	Generally Recognised Accounting Practices
HR	Human Resources
IAR	Integrated Annual Report
ICT	Information and communication technology
IDP	Integrated Development Plan of City of Johannesburg developed in terms of Chapter 5 of Municipal Systems Act
IO	Information Officer
IoT	Internet of Things
IRBA	Independent Regulatory Board for Auditors
ISO	International Organization for Standardization

ABBREVIATIONS

Abbreviation	Description
IT	Information technology
ITIL	Information Technology Infrastructure Library
IWMF	Integrated waste management facility
JCPZ	Johannesburg City Parks and Zoo
JDA	Johannesburg Development Agency
JMPD	Johannesburg Metropolitan Police Department
JPC	Johannesburg Property Company
JRA	Johannesburg Roads Agency
KPI	Key performance indicator
LGSETA	Local Government Sector Education and Training Authority
MBA	Master of Business Administration
MD	Managing Director
MFMA	Local Government: Municipal Finance Management Act 56 of 2003
MMC	Member of the Mayoral Committee
MPAC	Municipal Public Accounts Committee
MRF	Materials recovery facility
MSA	Municipal Systems Act 56 of 2000
MSCMR	Municipal Supply Chain Management Regulations of 2005
MTREF	Medium Term Revenue and Expenditure Framework
NDP	National Development Plan
NEMA	National Environmental Management Act 107 of 1998
NEMWA	National Environmental Management Waste Act 59 of 2008
NGO	Non-governmental organisation
NPO	Non-profit organisation
OHSA	Occupational Health and Safety Act 85 of 1993
OPEX	Operational expenditure
PAIA	Promotion of Access to Information Act 2 of 2000

ABBREVIATIONS

Abbreviation	Description
PFA	Politically facilitated agreement
PFMA	Public Finance Management Act 1 of 1999
POPIA	Protection of Personal Information Act 4 of 2013
PPE	Personal protective equipment
PPP	Public-private partnership
PPFPA	Preferential Procurement Policy Framework Act 5 of 2000
PrDP	Professional driving permit
PRECCA	Prevention and Combating of Corrupt Activities Act 12 of 2004
PSiRA	Private Security Industry Regulation Act 56 of 2001
RCR	Refuse collection rounds
RFID	Radio frequency identification device
RFQ	Request for quotation
RFP	Request for proposal
S@S	Separation at Source
SABPP	South African Board for People Practices
SCM	Supply chain management
SDBIP	Service Delivery Budget Implementation Plan
SDA	Service Delivery Agreement
SDC	Service Delivery Committee
SEHRRRC	Social, Ethics, Human Resources and Remuneration Committee
SHEQ	Safety, Health, Environment and Quality
SLA	Service Level Agreement
SLS	Service level standards
SMME	Small, medium, and micro enterprise
SOC	State-Owned Company
SOP	Standard operating procedure
SRM	Security Risk Management

ABBREVIATIONS

Abbreviation	Description
TAP	Talent Acquisition Policy
UIFW	Unauthorised, irregular, fruitless, and wasteful
USDG	Urban Settlement Development Grant
WtE	Waste-to-energy
WSP	Workplace Skills Plan



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STRUCTURE OF THE REPORT

Pikitup welcomes the opportunity to present its Integrated Annual Report (IAR) for the year ending 30 June 2025. We believe this report represents our continued efforts to improve both the quality of our disclosure and the robustness of our management of key sustainability issues. We recognise that room for improvement exists, and we plan to build on the progress made going forward. We welcome feedback, which may be sent to info@pikitup.co.za

This report examines Pikitup's performance in relation to our Business Plan and Service Delivery and Budget Implementation Plan (SDBIP), including the successes and challenges of the 2024/25 financial year and those likely to form part of our future. This report is submitted in the format prescribed by Group Governance and comprises:



Chapter 1
Leadership and Corporate Profile



Chapter 2
Governance



Chapter 3
Service Delivery Performance



Chapter 4
Human Resources and Organisational Management



Chapter 5
Financial Performance and Exposure



Chapter 6
Internal and External Audit Findings



Materiality

The report includes information that we believe is material to our Shareholder and stakeholders. The materiality test applied by the Board of Directors is based on internal and external matters, both positive and negative, that substantively affect Pikitup's ability to deliver on its strategy and that could have a material impact of 5% or more on the entity's finances.

Reporting and Governance Compliance

This report is prepared and presented in accordance with the International Integrated Reporting Council Framework of 2013, and all financial reporting complies with Generally Recognised Accounting Practice (GRAP) standards. The Board confirms that Pikitup has, in all material respects, applied the principles of the King IV Report on Corporate Governance 2016 (King IV) throughout the 2024/25 financial year. The following regulations, codes, and frameworks

provided further guidance in the drafting of this report:

- Section 46(1) of the Municipal Systems Act 32 of 2000 (MSA)
- Local Government: Municipal Finance Management Act 56 of 2003 (MFMA)
- Public Finance Management Act 1 of 1999 (PFMA)
- Sustainable Development Goals (SDGs)
- City of Johannesburg Growth and Development Strategy (GDS 2040)
- City of Johannesburg 2021–2026 Integrated Development Plan (IDP)
- International Financial Reporting Standards
- Global Reporting Initiative G4 Framework

Commitment to Good Governance

Sound corporate governance practices and an ethical culture form the foundation for sustainable value creation for our Shareholder and other stakeholders. Good governance includes improved reporting to the Shareholder, greater transparency and disclosure, improved quality of management reporting to the Board, and enhanced accountability to stakeholders. Pikitup's approach to governance extends beyond regulatory compliance, with open and balanced disclosure being core to our governance framework. Transparent and credible financial reporting is a cornerstone of our governance framework. Management welcomes the opportunity to engage with the Shareholder and its oversight bodies on Pikitup's governance philosophy, processes, and practices. We believe our governance practices are robust and this is confirmed by leading independent assessments of our governance standards.

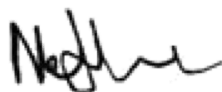
Ethics Statement

Pikitup is committed to high standards of ethical and legal conduct in the way it conducts its business, and requires all organisations with which it conducts business to observe the highest standards of ethics. The Board has adopted a Code of Conduct for board members and all directors and employees. The Code is consistent with Schedules 1 and 2 of the MSA and, inter alia, prescribes that all employees and directors should act with utmost integrity and objectivity and in compliance with the letter and spirit of both the law and company policies. Management is responsible for submitting all policies to the Board for review and approval. Management further accounts to the Board for policies designed to achieve effective ethics management. Company policies are reviewed and updated regularly to reflect the highest standards of ethics, behaviour, and professionalism. To this end, the Board uncompromisingly demands that all employees avoid unethical business dealings, whether actual or perceived, even when those business dealings may not violate applicable prescripts. Management is obligated to set an ethical tone, exercise the utmost honesty and integrity in all business dealings, and model the behaviour expected of all employees.

All employees are legally required to declare their interests each year and are obliged to avoid financial and other relationships that are inconsistent with the company's interests and values or that may compromise the performance of their duties. At every Board meeting and Board Committee meeting, directors declare any interest related to every matter discussed at a particular meeting. These and other related initiatives serve to embed a culture of accountability and ethical conduct.

Board Approval

The Board, assisted by the Audit and Risk Committee, the Human Resources and Social and Ethics Committee, and the Service Delivery Committee, is ultimately responsible for the integrity and completeness of the IAR and any supplementary information. The Board has applied its collective mind to the preparation of the IAR and has concluded that it has been prepared in accordance with the applicable legislation and the IIRC Framework. The Board considered the 2024/25 IAR, together with the Annual Financial Statements (AFS), taking into account the completeness of material items and the reliability of information presented in line with the combined assurance process.



Mr Maxwell Nedzamba
Chairperson of the Board



Ms Bukelwa Njingolo
Managing Director



CHAPTER ONE: LEADERSHIP AND CORPORATE PROFILE



Stakeholders impacted: Shareholder

Strategic Goal 1: Integrated Waste
Management, Waste Prevention, and
Waste Minimisation



SECTION 1: FOREWORD BY THE MEMBER OF THE MAYORAL COMMITTEE

Councillor Jack Sekwaila

Member of the Mayoral Committee

The first half of the financial year presented significant challenges for the organisation. Despite these hurdles, our principal commitment has remained unwavering: to enhance service delivery for our customers and intensify our efforts to minimise waste. This commitment aligns with the priorities of the Government of Local Unity.

Pikitup's strategic focus for the 2024/25 financial year, in line with the IDP, was to provide efficient and effective waste management services to the residents of Johannesburg. I extend my profound gratitude to our operational teams for their exceptional hard work and dedication in maintaining services under difficult circumstances.

In partnership with various City of Johannesburg (CoJ) entities and private institutions, Pikitup successfully executed clean-up campaigns to eradicate illegal dumping hotspots and advance our vision of a clean, litter-free city. These efforts, alongside numerous waste management forums that brought together government and business leaders, are vital in building a sustainable society. In an increasingly resource-constrained world, safeguarding our environment is imperative. I applaud Pikitup for delivering services that protect our environment and ensure a sustainable legacy for future generations.

I am pleased to report an increase in the achievement of targets set out in our Business Plan, SDBIP, and Service Delivery Agreement (SDA). This success is a direct result of proactive partnerships and collaborations with our

stakeholders, most notably evidenced by the highly successful Kleena Joburg campaign. Furthermore, through public participation programmes with communities and ward councillors, we have improved our response to service delivery challenges. The work of the Pikitup Call Centre has been instrumental in this, leading to a marked improvement in customer satisfaction and query resolution.

I would like to express my sincere gratitude to the members of the Board for their distinguished service since their appointment at the Annual General Meeting on 31 August 2024. I am confident that the Board will continue to serve the residents of Johannesburg with the humility, integrity, and dedication required to drive continued improvement. Finally, I commend the Board and management of Pikitup for their tireless work in addressing challenges and improving the entity's performance this year. We urge them to continue fostering a friendly work environment built on teamwork, collegiality, and a caring attitude towards both staff and the citizens we serve. Pikitup remains one of the CoJ's best-performing entities, and we are dedicated to building on this foundation.

Councillor Jack Sekwaila

Member of the Mayoral Committee



SECTION 2: FOREWORD BY THE CHAIRPERSON

Mr Maxwell Nedzamba

Chairperson: Pikitup Board

It is my pleasure to present this report on Pikitup's progress for the 2024/25 financial year. The Board remains steadfast in its commitment to strengthening internal governance, oversight, and sustainability, all of which are crucial to restoring public trust

Organisational Performance

In line with our mandate from the City, the Board continues to ensure that Pikitup's operations are collaboratively aligned with the Shareholder Compact and the SDA. Guided by these frameworks, we are dedicated to delivering high-quality, integrated waste management services to the citizens of Johannesburg.

This year, Pikitup continued to deliver on its core mandate, providing essential waste services to 908 208 households, businesses, and communities, and extending coverage to 201 informal settlements. Despite facing significant challenges – including high population growth, rampant illegal dumping, and the financial strain caused by non-compliant buildings – our teams have worked tirelessly to maintain Johannesburg's streets at unsurpassed levels of cleanliness.

To address these systemic challenges, we advocate for integrated and collaborative support from National Government through interventions such as the Presidential Johannesburg Working Group. We also endorse National Treasury's reforms targeting urban waste management and highly value the ongoing support from our Shareholder,

the City of Johannesburg Metropolitan Municipality, as we work to stabilise the entity's fiscal position.

Safety

The safety of our employees is our highest priority, and we are unwaveringly committed to achieving our goal of zero harm. Regrettably, this financial year saw 46 recorded injuries, resulting in a disabling injury frequency rate (DIFR) of 0.9. We are intensifying our efforts through continuous training and awareness programmes on safe work practices to ensure every employee returns home safely.

Looking Ahead

The prevailing economic constraints continue to affect our operational capacity, including the timely payment of suppliers. Nevertheless, we remain resolutely focused on delivering services that improve our residents' quality of life. We will rebuild trust by placing their needs at the heart of our efforts and ensuring local government is both responsive and efficient. We see immense opportunity for growth through strategic partnerships. By working together, we can address complex waste management challenges and drive sustainable development for our city.

Thank you for your continued support.

Mr Maxwell Nedzamba

Chairperson: Pikitup Board



SECTION 3: MANAGING DIRECTOR'S REPORT

Ms Bukelwa Njingolo

Managing Director

As we conclude the 2024/25 financial year, the organisation remains resolute in its commitment to long-term sustainability, underpinned by legislative compliance, sound governance, and the pursuit of clearly articulated strategic objectives. Our focus remains on positioning the entity as a leader in integrated waste management – responsive to the evolving needs of Johannesburg and aligned with both national and global urban sustainability priorities.

In the financial year, we monitored 19 indicators, successfully achieving 15 to reflect a business performance rate of 79%. The remaining indicator will be finalised following the annual audit by the Auditor-General of South Africa (AGSA). We cleared more than 369 705 tonnes of illegal dumping, and distributed approximately 29 750 bins citywide. These accomplishments underscore our ongoing commitment to operational efficiency and cleaner communities.

Pikitup conducted 32 integrated service delivery campaigns across multiple regions, reinforcing its holistic waste management approach. The organisation demonstrated its dedication to fostering integrity, accountability, and a more ethical and transparent environment in South Africa through its participation in the 2024/25 International Fraud Awareness Week.

Beyond operational mandates, the organisation proudly co-chairs the Presidential Johannesburg Working Group's Workstream 4, focusing on clean and safe public spaces. This leadership role facilitates vital multi-stakeholder collaboration to advance urban cleanliness, safety, and liveability. In preparation for the November 2025 G20

Summit, high-impact urban hygiene initiatives were championed to ensure Johannesburg projected a world-class image and secured enduring benefits.

Environmental stewardship remains a strategic priority. The constrained lifespan of existing landfill sites – each with less than three years of disposal airspace remaining – has catalysed accelerated capital infrastructure upgrades to ensure compliance with regulatory standards and bolster waste diversion capabilities. Continuous progress has been made in rolling out source-separated waste collection to 268 city areas, achieving a 36% household participation rate in the Separation at Source (S@S) Programme. The inclusion in S@S and formal registration of 249 waste reclaimers signals a commitment to integrating informal recycling into the formal economy.

Despite notable achievements, the organisation faced fiscal and operational constraints during the year, including low supplier invoice payment rates, high critical vacancy levels, underfunded waste diversion efforts, limited Extended Public Works Programme (EPWP) resources, and reduced fleet availability due to maintenance budget limitations. These challenges highlight the urgent need for strategic resource mobilisation, innovative funding partnerships, and ongoing operational efficiencies.

Moving forward, the entity is dedicated to transforming Johannesburg into a cleaner, greener, and more inclusive city. Through enhanced environmental stewardship, strengthened community partnerships, and resilient operational models, we aim to reduce environmental

impacts, optimise resource use, and improve quality of life for all residents.

I extend sincere appreciation to the Executive Management team, Board members, employees, and stakeholders whose unwavering dedication has been instrumental in driving progress under often challenging circumstances. Together, we will build a future-ready, sustainable, and responsive waste management organisation for the City of Johannesburg.



Ms Bukelwa Njingolo
Managing Director





SECTION 4: CHIEF FINANCIAL OFFICER'S REPORT

Mr Litshani Matsila

Chief Financial Officer

The publication of our AFS for the 2024/25 financial year marks a critical moment for reflection, accountability, and renewed commitment. This report addresses the results directly, which reflect a period of significant financial challenge for Pikitup. The company has recorded an annual deficit of R258.4 million, in stark contrast to the restated surplus of R 215.1 million achieved in the previous financial year. This result is undeniably disappointing.

The deterioration in our financial health is further evidenced by our net liability position, which increased to R398.8 million from R140.4 million in the previous financial year. This was primarily a direct consequence of the deficit incurred.

A complexity of factors drove this outcome. While it is encouraging to note that our operating income exceeded budget by R262.9 million due to positive performances across all major revenue streams, this was substantially outweighed by an over-expenditure of R521.3 million against our operational budget.

Three key factors account for this overspend:

1. **Allowance for Doubtful Debt:** A significant increase in the allowance for doubtful debt, recognised at R1.02 billion (2023/24: R631.1 million restated), was a major contributor. This reflects the increasingly challenging collectability of revenue in the current economic climate.
2. **Fleet and Mobile Plant Costs:** Over-expenditure on fleet costs reached R305.0 million. The reliability of

our fleet is the bedrock of our service delivery promise, and these costs underscore the immense pressure and ageing nature of our assets, which require constant and costly maintenance to meet our obligations.

3. **Unfunded Mandate:** The City-approved politically facilitated agreement (PFA) salary increases in the first quarter, while necessary for our valued employees, represented an unfunded mandate that placed immediate and substantial pressure on our personnel expenditure budget.

Beyond these immediate financial figures, we continue to be hamstrung by persistent underlying challenges. Poor trading conditions and delays in the strategic repositioning of our commercial business unit have constrained our ability to grow our customer base. Expanding this base is essential to improving Pikitup's profitability and ultimately reducing the financial burden on the City for core municipal cleaning services.

We fully recognise that rapid service delivery and a reliable, modern fleet are non-negotiable for retaining existing customers and attracting new ones. The current situation, where operational imperatives conflict with fiscal sustainability, is unsustainable.

Future Outlook

Acknowledging these challenges is only the first step. The management team, under the direction of the Board, has already initiated a comprehensive turnaround strategy. This includes:

-
- Aggressive cost-containment measures – across all non-essential expenditure
 - A detailed review and overhaul of our revenue collection strategies – to mitigate the need for such substantial doubtful debt impairments
 - Engaging with the City – to urgently address the structure of unfunded mandates and ensure future obligations are matched with adequate funding
 - Accelerating the commercial repositioning plan – to diversify revenue streams and enhance profitability
 - A rigorous fleet management review – exploring all options, including innovative maintenance protocols and long-term renewal strategies, to achieve cost efficiency without compromising service delivery

The past financial year has been difficult, but it has also provided a clear and unambiguous diagnosis of the issues we must address. We are committed to taking the necessary, and often difficult, decisions to restore Pikitup to a trajectory of financial stability and sustainable growth. We remain steadfast in our core mission of providing a critical service to the City of Johannesburg, and are confident that with the full support of our shareholder and stakeholders, we will navigate through this period of adversity.



Litshani Matsila
Chief Financial Officer



SECTION 5: CORPORATE PROFILE AND OVERVIEW OF THE ENTITY

Who Are We?

Pikitup Johannesburg SOC Ltd (herein referred to as Pikitup), 100% owned by the CoJ and established in terms of the Companies Act on 1 November 2001, is mandated to provide waste management and refuse removal services to the residents of Johannesburg. The Board of Directors, appointed by the CoJ, is authorised to manage and direct the business and affairs of Pikitup, as set out in the Companies Act and the Memorandum of Incorporation, and subject to accountability and effective oversight by the City. The CoJ utilises the Environment and Infrastructure Services Department (EISD), led by the Member of the Mayoral Committee (MMC) for EISD and the Group Governance Department to oversee the governance of the entity.

For Pikitup to make a meaningful impact, based on its core mandate – to contribute to resource security, environmental sustainability and good governance in the City – its resources must be directed towards the key strategies and priorities envisaged by the CoJ and the National Waste Management Strategy to reduce, reuse, and recycle waste streams, while extracting value along the waste value chain.

Pikitup's strategic focus is to ensure waste prevention and minimisation through a community-driven approach to waste management. This requires implementing projects and innovative solutions, while strengthening partnerships and stakeholder involvement. These programmes are designed to create opportunities for developmental service delivery and empower communities to take responsibility for service delivery. This contributes to the alleviation of poverty, inequality, and unemployment. The business plan focuses specifically on organisational transformation to build an effective and efficient company that delivers world-class services as required by a developmental state.

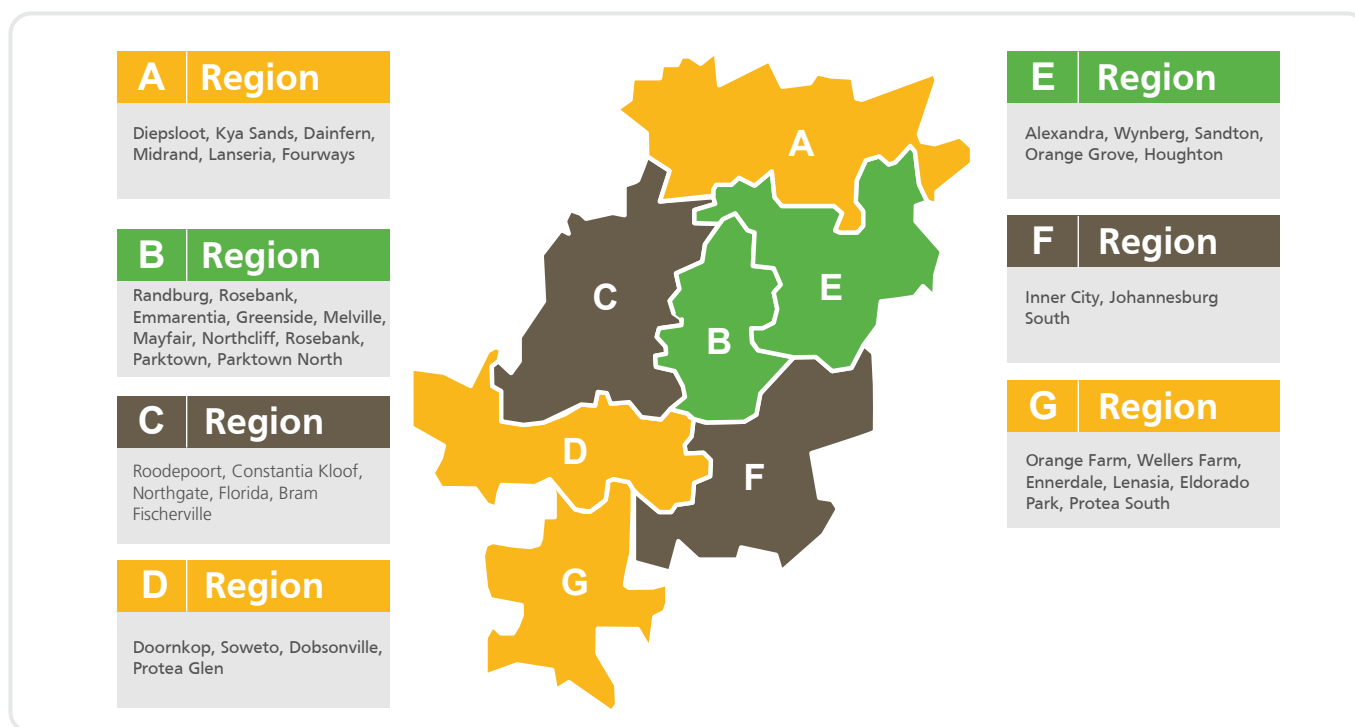
The entity's primary objective is to provide waste management and other municipal services as defined in the SDA entered into between Pikitup and the City, and as detailed in its Memorandum of Incorporation, as amended from time to time. The SDBIP details the various indicators and targets required to ensure strategic goals are reached. The various sections in the business plan further outline specific projects and interventions to be implemented based on the resources available in the company. Pikitup is committed to continuous performance improvement and is confident that strategic partnerships and stakeholder engagement will facilitate the attainment of its vision.

Scale of Operations

Pikitup owns and operates 12 waste management depots, strategically located across the CoJ's seven regions, and manages 40 garden sites, four operational landfill sites, and two closed landfill sites. Pikitup is the permit/license holder of Ennerdale, Robinson Deep, Goudkoppies, Marie Louise, Kya Sands, and Linbro Park landfill sites within the City's boundaries. The organisation is required by law to manage these sites according to relevant legislation, regulations, ordinances, and by-laws.



Figure 1: CoJ Regions Serviced by Pikitup



Pikitup's services are provided in terms of the legislative prescripts of integrated waste management and address the following key functional areas:

- Compiling and maintaining demographic information
- Assessing waste generation, quantities, and types
- Monitoring the status quo of services for collection, minimisation, reuse, recovery, treatment and disposal of waste
- Determining the number of people not receiving waste collection services
- Identifying instances of poor waste management and its negative health and environmental impacts
- Establishing and implementing targets and initiatives for waste minimisation, reuse, recycling, and recovery
- Incorporating best environmental practices
- Identifying and outlining implementation measures

- Planning new disposal facilities and decommissioning existing waste disposal facilities
- Quantifying the financial resources required to implement projects.

To this end, Pikitup services entail:

- Informal and formal settlement waste management services
- Waste minimisation through waste diversion activities related to green waste, builders' rubble, and dry recyclables
- Refuse collection rounds (RCR)
- Street cleaning
- Clearing of illegal dumping

- Fleet availability management
- Waste disposal
- Commercial refuse collection
- Education and awareness
- Upgrading of waste management infrastructure
- Landfill compliance and expansion management

Integrated waste management therefore entails a multi-pronged approach that requires the co-operative effort of Pikitup and waste generators. Pikitup ensures a waste management service delivery system that provides a network of collection and disposal options, so that waste generators can effectively exercise their responsibilities. This includes separating waste at the source (the point of generation), and then properly recycling, storing, and disposing of the different waste streams.

Significant Factors Affecting the External Environment

Johannesburg remains the country's financial and technological hub; however, it continues to navigate complex global and local challenges such as rapid urbanisation, climate change, economic downturn, urban poverty and insecurity, and housing and infrastructure shortages. The COVID-19 pandemic further exacerbated socio-economic hardships within the City's most vulnerable communities. Notably, economic growth and rapid urbanisation present major waste management challenges when traditional, unsustainable practices fail to meet evolving urban needs. As waste generation increases, developing cities face mounting pressure on waste disposal sites, creating a critical knock-on effect for long-term environmental sustainability.

To maintain its strategic advantage in basic service delivery and community services, the City must focus on continuous

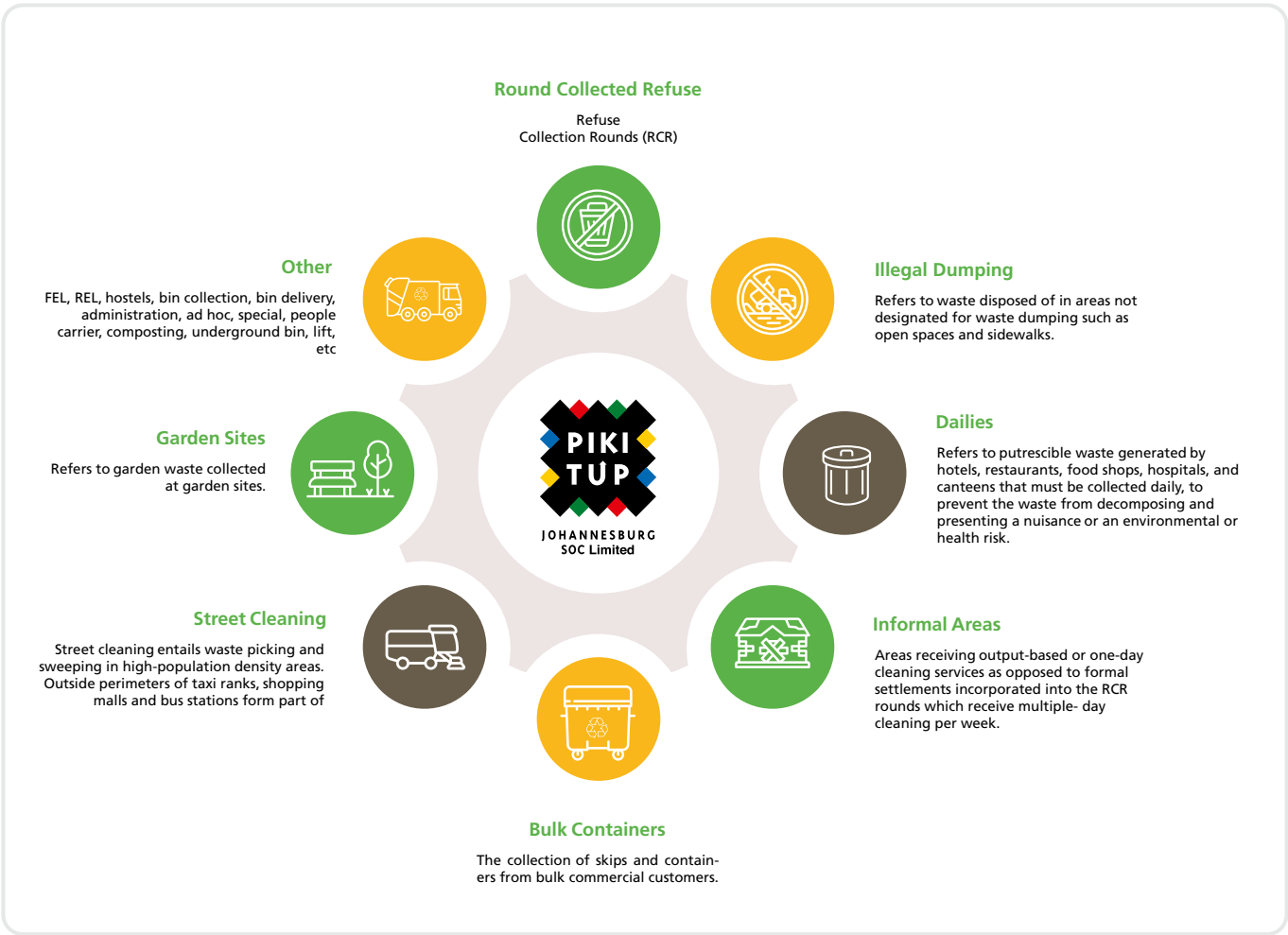
improvement and consistent service delivery within these core areas. To be recognised for high quality service delivery, the CoJ must halt and reverse the current decline in resident satisfaction. It is critical that the City focuses concerted attention on three overarching dimensions to improve the everyday experience of residents:

- Facilitating inclusive economic growth to create sustainable opportunities
- Implementing safety interventions to protect communities and infrastructure
- Strengthening governance, including transparent consequence management, customer service, communication, and first contact resolution

To address environmental pollution caused by unsustainable waste management practices, the City is prioritising compliance with the Waste Management Service Standard, the Service Delivery Charter, and municipal waste by-laws. Mitigating illegal dumping requires comprehensive service coverage for all waste streams – including builders' rubble – and the implementation of customised waste collection systems for high-density areas, such as informal settlements and backyard dwellings.



Figure 2: Pikitup Waste Activities



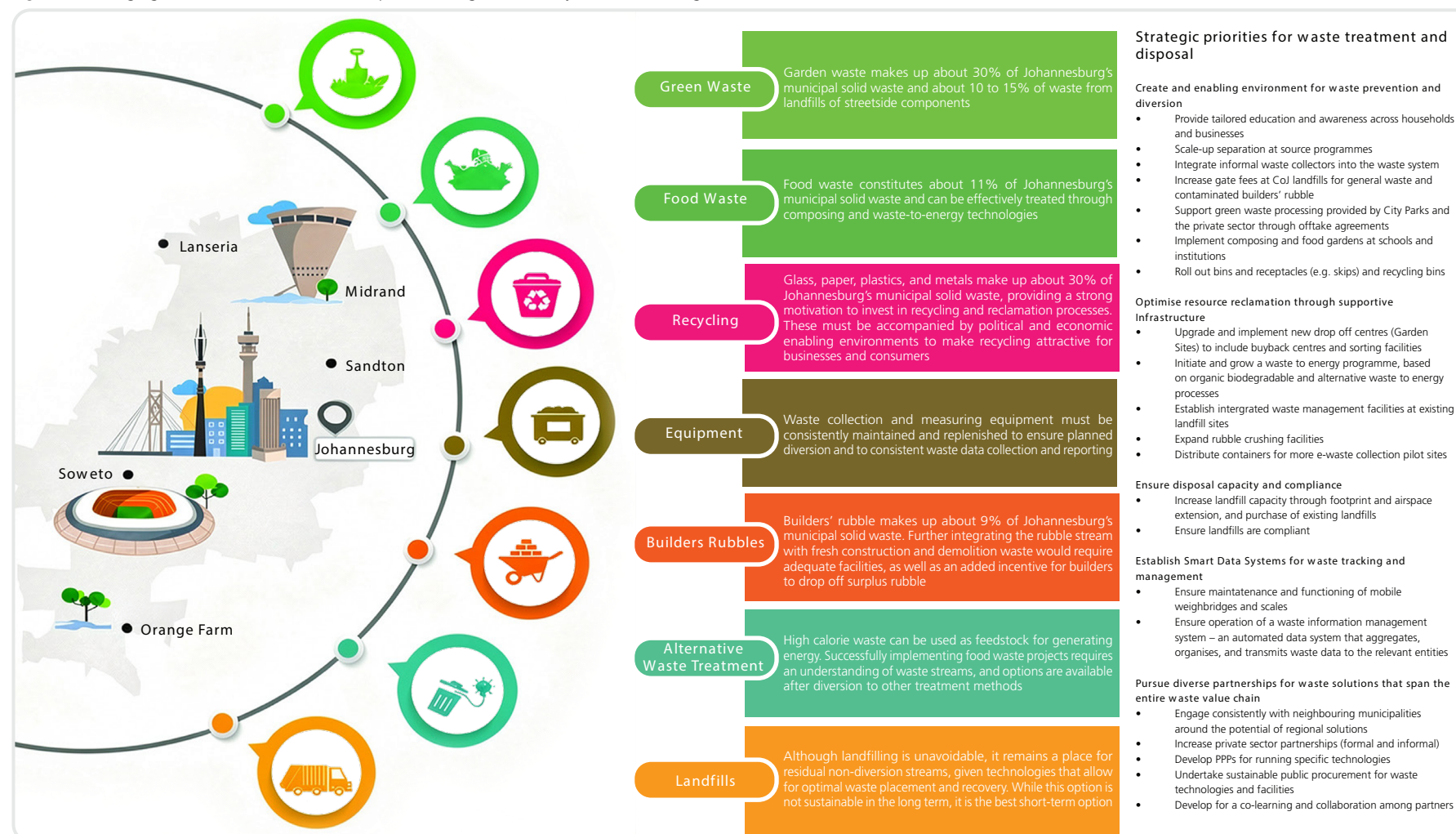
SECTION 6: STRATEGIC OBJECTIVES

Pikitup is committed to continually improving its performance and attaining its vision. To address pressures and challenges and meet provincial and national targets, the City developed a Waste Minimisation Strategy, which acknowledges the urgent challenge of waste generation and diminishing disposal capacity. The SDBIP details the indicators and targets to be achieved to ensure that goals are reached. The business plan outlines the projects and interventions to be implemented based on the resources available in the company. Informed by the mayoral priorities of the Government of Local Unity, the National Environmental Management Act, the National Waste Management Strategy, and Pikitup’s material issues, the entity has five strategic goals, as outlined in Table 1.

Table 1: Pikitup Strategic Goals

Goal	Strategic Focus	Objective	Explanation	Implementation Pathways
Goal 1: Integrated waste management, waste prevention, and waste minimisation	Shift focus 1 Up the waste hierarchy (Prevent > Minimise > Reuse > Recycle > Recover > Treat > Dispose)	Objective 1.1: To ensure that waste to landfills is minimised	This is the primary measurable outcome of Goal 1. Its success hinges on diverting waste before it reaches landfill sites.	• S@S • Recycling and recovery expansion • Organic waste diversion
	Treat waste not as an endpoint but as a potential resource stream within a managed system.	Objective 1.2: To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner	Effective diversion requires infrastructure to collect, sort, process, and recover value from diverted streams. Sustainable disposal implies the residual waste after maximising diversion is managed with minimal environmental impact and potential energy recovery.	• Gradual implementation of bans on specific recyclable or compostable materials entering landfills • Strategic location and development of buy-back centres, material recovery facilities (MRFs), composting facilities, anaerobic digesters, and hazardous waste handling sites • Investment in waste-to-energy (WtE) – thermal or biological technologies – for non-recyclable/non-compostable residues
Goal 2: Realisation of value throughout the waste value chain	Transform waste management from a cost centre to a value generator, unlocking economic and social potential within the materials flow.	Objective 2.1: To use waste as a resource for poverty alleviation and job creation opportunities	This focuses on social and economic value extraction, particularly benefiting marginalised communities and unemployed individuals.	• Support of the informal sector • Enterprise development • Community-based collection, cleaning, and composting
Goal 3: Effective delivery of waste services	Ensure core waste services are reliable, efficient, accessible, and meet defined quality standards for all residents and areas.	Objective 3.1: To ensure effective and efficient waste services	This objective covers the breadth of municipal waste services, emphasising both operational performance (efficiency) and service quality (effectiveness and cleanliness levels).	• Standardisation of service levels • Implementation of route optimisation software, efficient fleet management, and scheduling for collection and street cleaning • Implementation of systems to track collection rates, service complaints, and cleanliness audits (e.g. litter index)
Goal 4: Partnerships and stakeholder engagement	Recognise that waste management is a shared responsibility requiring active collaboration and behaviour change beyond the municipal authority.	Objective 4.1: To establish partnerships to deliver and ensure active stakeholder engagement	Objective 4.1 focuses on building collaborative structures and driving meaningful participation from all key actors.	• Establishment of multi-stakeholder forums (e.g. Waste Management Advisory Committee) with representatives from business, labour, and civil society • Implementation of producer responsibility schemes • Introduction of targeted awareness and education campaigns
Goal 5: Building an efficient, effective, and viable waste management company	Ensure Pikitup is financially resilient, operationally excellent, and capable of delivering on its ambitious goals.	Objective 5.1: To optimise financial and operational sustainability	This objective addresses the organisation's financial health – moving from deficit to surplus through improved revenue management, cost control, and operational improvements.	• Tariff structures that adequately reflect service costs (including diversion infrastructure) • Revenue diversification through the sale of recyclables, compost, energy (WtE, landfill gas), and gate fees at facilities

Figure 3: Changing the Waste Treatment and Disposal Paradigm in the City of Johannesburg



Alignment of Strategic Goals to the CoJ's Priorities and Programmes

In 2015, 195 nations – including South Africa – made a landmark commitment to a more sustainable, equitable, and prosperous future through the adoption of the 17 SDGs. The SDGs provide a globally recognised framework for development planning, guiding governments in setting national priorities and mapping pathways to achieve them. South Africa had already taken a significant step in this direction in 2012, with the adoption of the National Development Plan (NDP) 2030, a long-term vision for eliminating poverty and reducing inequality. The NDP sets out a roadmap for achieving its vision through structural socio-economic transformation and the reshaping of a societal culture rooted in the country's history of oppression, exploitation, and dispossession. Achieving the NDP goals requires co-operation between national, provincial, and local government as well as the private sector and civil society. The District Development Model was subsequently adopted by the Cabinet on 21 August 2019. It is an operational model for improving co-operative governance designed to build a capable, ethical, and developmental state.

In February 2020, the Gauteng Provincial Government launched Growing Gauteng Together 2030, a collective vision for the Gauteng City Region for 2030. Its priorities are:

- Accelerating economic growth and job creation
- Infrastructure development
- Education and skills development
- Health
- Integrated human settlements and land release
- Safety, social cohesion, and food security
- Building a capable, ethical, and developmental state

- Building a better Africa and world
- Sustainable development for future generations

During the period under review, the entity introduced the following initiatives:

Turnaround Strategy Implementation: Pikitup continued to implement its long-term sustainability strategy, focusing on legislative compliance, governance, and strategic objectives. Key risk mitigations related to waste minimisation and operational improvements were pursued, although some challenges such as landfill airspace depletion and staffing shortages remained.

G20 Presidential Preparations: Pikitup played a leading role in urban hygiene initiatives in preparation for the G20 Summit, demonstrating operational excellence and sustainability leadership.

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

Four overarching outcomes define the GDS 2040 as follows:

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

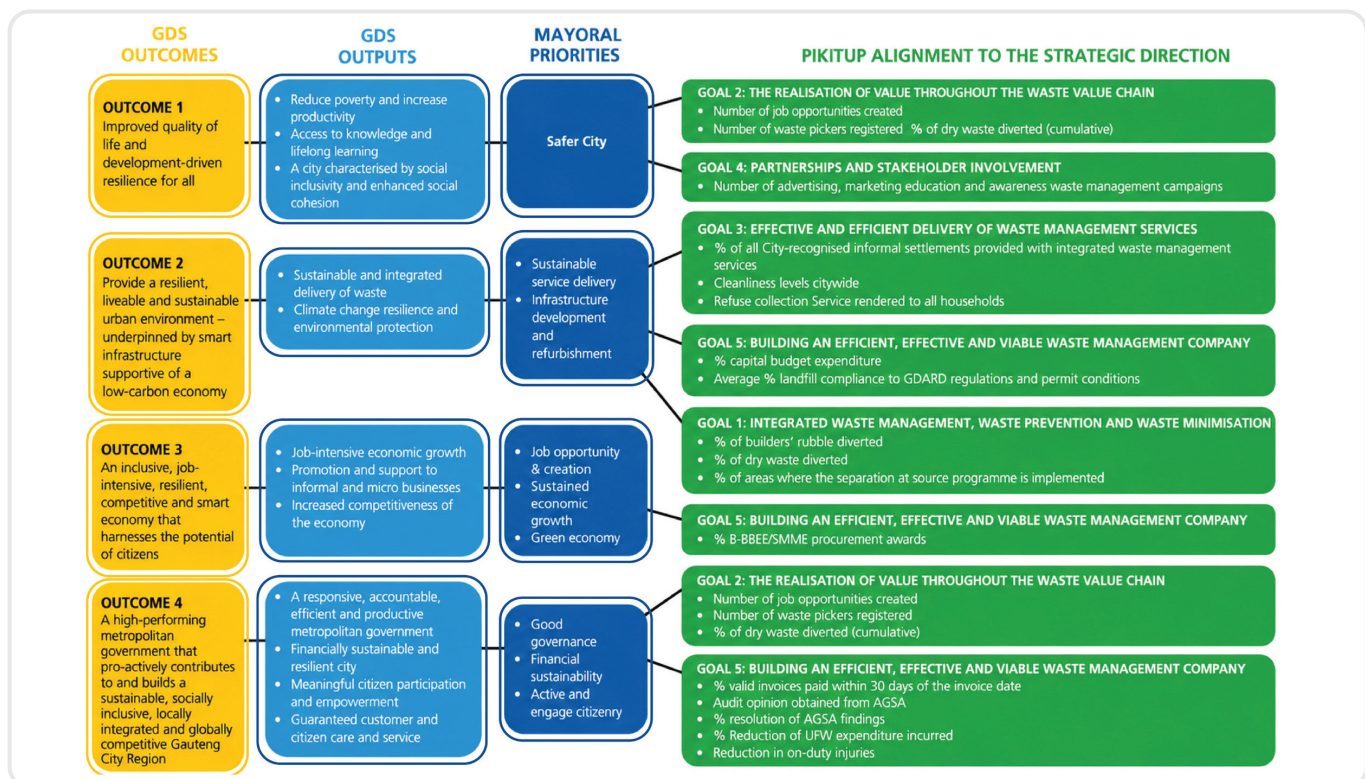
outputs, which represent areas where the City plans to intervene to achieve its desired long-term outcomes.

Eleven strategic priorities were identified for the City to drive:

- Good governance
- Financial sustainability
- Energy mix
- Sustainable service delivery
- Infrastructure development
- Job creation and opportunities
- Safer city
- Active and engaged citizenry
- Sustainable economic development

Each outcome is driven by several strategic GDS 2040

Figure 4: Pikitup's Alignment to the City's Strategic Goals



Five-Year KPI Performance Overview

Table 2: Pikitup's SDBIP KPI Performance (2019/20–2023/24)

KPI	2020/21	2021/22	2022/23	2023/24	2024/25
% of builders' rubble diverted	29%	7%	10%	N/A	N/A
% of dry waste diverted through Pikitup interventions (paper, plastic, glass, cans)	15%	10%	11%	8%	9.6%
% participation rate in targeted areas where the S@S project is implemented	46.29%	44%	36%	36%	36%
% landfill compliance with GDARD regulations and permit conditions as issued by the Department of Forestry, Fisheries and the Environment (DFFE) and the Department of Water and Sanitation (DWS)	N/A	94%	94%	61.05%	64.4%
Tons of waste disposed of at landfill sites	N/A	N/A	N/A	1 481 847	1 691 487
Number of formal households receiving weekly waste removal services	1 446 490	1 449 824	1 700 000	908 208	908 208
% of formal settlements receiving weekly waste removal services	100%	100%	100%	100%	100%
% of all City-proclaimed informal settlements provided with integrated waste management services	100%	100%	100%	100%	100%
Number of work opportunities created through the EPWP	1 046	4 316	261	3 639	6 651
Cleanliness of outer city based on street cleaning as determined by GDARD Gauteng waste collection standards	Level 2	Level 2	Level 2	Level 2	Level 2
% capital budget spent	89%	96%	98%	98.7%	77%
(%) B-BBEE/SMME procurement awards	N/A	100%	92%	94%	97%
Audit opinion obtained from Auditor-General	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified audit opinion with findings	Unqualified audit opinion	–
% Internal Audit findings closed	90%	88%	87%	92%	94%
% resolution of Auditor-General findings	100%	91%	97%	95%	92%
Reduction in DIFR	1.59	1.7	0.98	0.9	0.9

Service Level Standards

Pikitup’s service level standards (SLS) are agreed with the Shareholder annually. The number of SLS KPIs decreased from 10 in 2020/21 to 6 for the period between 2021/22 and 2023/24.

Table 3: SLS KPI Performance Overview (2020/21–2023/24)

	2020/21	2021/22	2022/23	2023/24
Total number of SLS KPIs	10	6	6	6
Number of achieved SLS KPIs	9	6	6	6
Average % achievement of SLS	90%	100%	100%	100%

Challenges Over the Past Financial Year

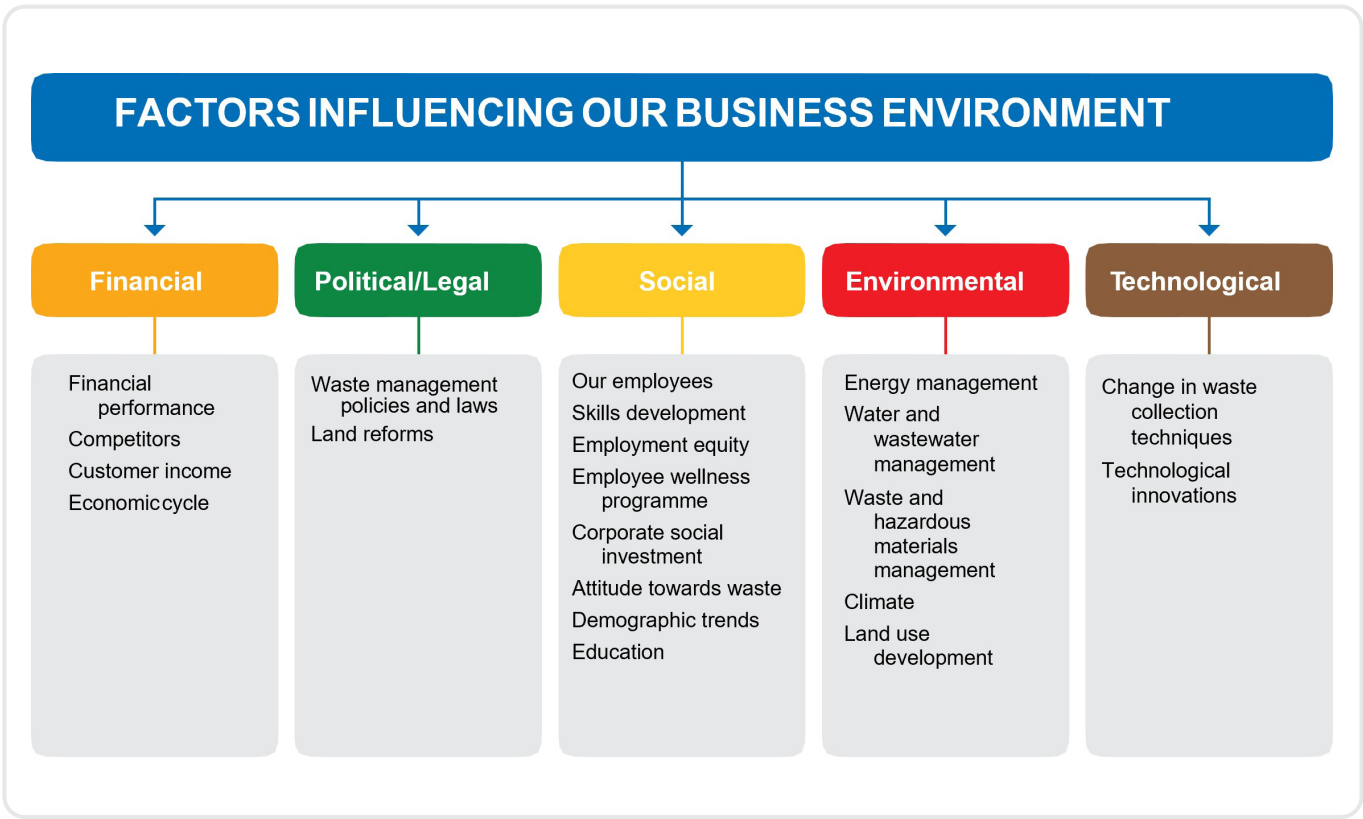


Table 4: Key Challenges and Short-Medium and Long-Term Goals

Key Challenge	Description	Short-Medium Term Goals	Long-Term Goals
Financial	- Cash-flow challenges resulting in non-payment of service providers - Poor customer service resulting in loss of revenue - Inadequate capital expenditure allocation to keep up with growing demands on waste services and infrastructure in the CoJ	- Implement full cost accounting for waste services. - Allocate budget for waste services from equitable share funding. - Determine the availability of grants for infrastructure development.	- Review and implement tariffs for waste collection, transfer (where applicable), and disposal. - Compile Revenue Enhancement Strategy. - Conduct revenue reconciliation of service rendered to detect and recover incomplete billing. - Resuscitate the commercial business repositioning plan.
Human Capital	- Shortage of general workers and loaders, resulting in accumulation of excessive overtime - High vacancy rate, limited competency and technical skills, and many ageing general workers unable to perform intense work effectively	- Conduct a critical assessment of human capital requirements and formulate a change management plan. - Perform a detailed analysis and classification of the current workforce. - Appoint interns. - Ensure budget provision for recruitment.	- Strengthen the alignment of the training and development plans with the paradigm shift. - Reassess the training budget for upskilling staff.
Operations	- Non-payment of service providers, resulting in service backlogs - Load shedding affecting collection and service rates - Inadequate by-law enforcement resulting in unabated illegal dumping - Lack of implementation of strategy and plans - Inadequate waste storage receptacles (bins to households and different sectors) and littering	- Assess operational efficiencies – optimise collection routes, number of collection rounds, scheduling, vehicle tracking and monitoring systems, and collection (re-align/delineate depot boundaries to better suit fleet and ward boundaries). - Provide budget for appointment of service providers as well as EPWP	- Fully implement the bin delivery policy. - Negotiate and operationalise the SLA for waste by-law enforcement between the Johannesburg Metropolitan Police Department (JMPD) and Pikitup's Security Risk Department. - Establish new and upgraded depots.
Landfill	- Unavailability of plant (due to non-payment) - Non-maintenance of infrastructure - Limited landfill airspace – inadequate mandate that limits public-private partnerships (PPPs) for alternative waste treatment, and inadequate budget for waste diversion efforts, land procurement, and rehabilitation, including repairs and maintenance	- Change operating procedures to ensure legal compliance and monitor regularly. - Train waste disposal facility managers or operators for disposal facilities to be operated in accordance with the licence and other legal requirements. - Develop systems and provide infrastructure to accommodate waste pickers from existing landfills. - Improve weighbridge operations.	- Secure funding for the construction of a new waste disposal facility. - Design and construct transfer stations in anticipation of Pikitup landfill closures. - Construction, commissioning, and operation of the waste disposal facility. - Manage PPPs where applicable.

Key Challenge	Description	Short-Medium Term Goals	Long-Term Goals
Waste Minimisation	- Inability to establish offtake arrangements - Slow pace of implementation of mandatory S@S – budgetary allocation for S@S has not adequately supported full implementation. This includes extensive marketing and advertising, education and awareness, procurement of appropriate receptacles (bins) for separation of different waste types at the household level, requisite fleet to collect and transport recyclable waste, transfer stations, material recovery facilities and buy-back centres.	- Establish mechanisms for promoting separation at source. - Develop a system to integrate waste pickers into the formal waste management system. - Conduct a feasibility study to determine the optimum way to divert garden waste from landfills. - Develop an education and awareness strategy and training materials to roll out education and awareness campaigns. - Revise the Waste Minimisation Strategy. - Extend the S@S programme to Roodepoort, Randburg, and Selby. - Establish offtake contracts for green waste. - Roll out integrated messaging in education and awareness campaigns.	- Register and regulate potential waste pickers who want to recover waste from Pikitup landfills legally through reputable waste pickers associations. - Establish more buy-back centres and MRFs. - Develop plans for in-house or outsourced diversion and composting. - Continue with the planning and development of Integrated Waste Management Facilities (IWMFs) incorporating facilities such as the AD, builders' rubble crushing, and facilities.
Fleet	The unreliability of Pikitup's waste management fleet and the delay in fleet procurement by the CoJ has affected the provision of efficient waste management, resulting in increased overtime expenditure, a significant loss of commercial clients and over-expenditure on the fleet budget.	- Evaluate current costs against an optimised collection model, reengineered to align with current and planned waste minimisation initiatives. - Implement drivers training	Establish a full three-year fleet contract for S@S.
Unfunded Mandate and Grey Service Areas	The entity provides waste services, at no charge, at taxi ranks, informal trade spaces, hi-jacked buildings, informal settlements, hostels, and public open spaces. Lack of centralised alignment, planning and budgeting between City entities affects Pikitup's service delivery.	- Forge strong partnerships with key stakeholders in the waste value chain, e.g., consumers, waste collectors (informal and formal), processors or manufacturers, and regulators. - Engage and partner with all mission-critical stakeholders (e.g., JMPD, JPC, Economic Development) to consolidate efforts in pursuance of waste minimisation initiatives, including curbing illegal dumping and infrastructure development.	
Communications and Stakeholders	- Service delivery disruptions are aggravated by ineffective communication. - Inadequate stakeholder engagement and involvement limit the reach and effectiveness of the entity's programmes.	- Mobilise and activate community and residents. - Mobilise and activate stakeholders and businesses.	- Develop a customer relationship management strategy and policy. - Review and finalise the call centre structure to fill vacant positions - Strengthen the education and awareness unit by funding the 12 environmental education officers to conduct education and awareness in communities. - Optimise EPWP workers to carry out education and awareness and capacitate them with training. - Introduce learnerships and internships for environmental graduates to conduct education and awareness.

Strategic Highlights

Pikitup's Audit and Risk Committee maintained oversight of financial performance, risk management, and compliance. The entity achieved a 94% resolution rate on Internal Audit findings and 94% resolution on AGSA audit findings, surpassing the annual target of 90%. Supply chain management policies were rigorously implemented throughout this period, though payment delays persist. Internal audits on supply chain management, fixed assets, and fleet management were ongoing at the close of the financial year.

Strategic Outlook for 2025/26

The focus will be on accelerating the turnaround strategy, expanding waste minimisation initiatives, and addressing landfill capacity constraints. Strengthening financial sustainability through improved revenue diversification and cost control remains a priority. Investments in information and communication technology (ICT) infrastructure and security, alongside human resource capacity building, will support operational efficiency. Collaboration with national government and stakeholders will be intensified, including alignment with broader CoJ priorities and the Metro Trading Services Reform Programme – a National Treasury initiative launched in March 2026 aimed at stabilising and improving waste, water, sanitation, and electricity services across South Africa's eight metropolitan municipalities.



CHAPTER TWO: GOVERNANCE

Stakeholders Impacted: Shareholder,
Customers

Strategic Goal 5: Building an
Efficient, Effective, and Viable Waste
Management Company



SECTION 1: COMPOSITION, KEY ACTIVITIES, AND REMUNERATION OF BOARD OF DIRECTORS

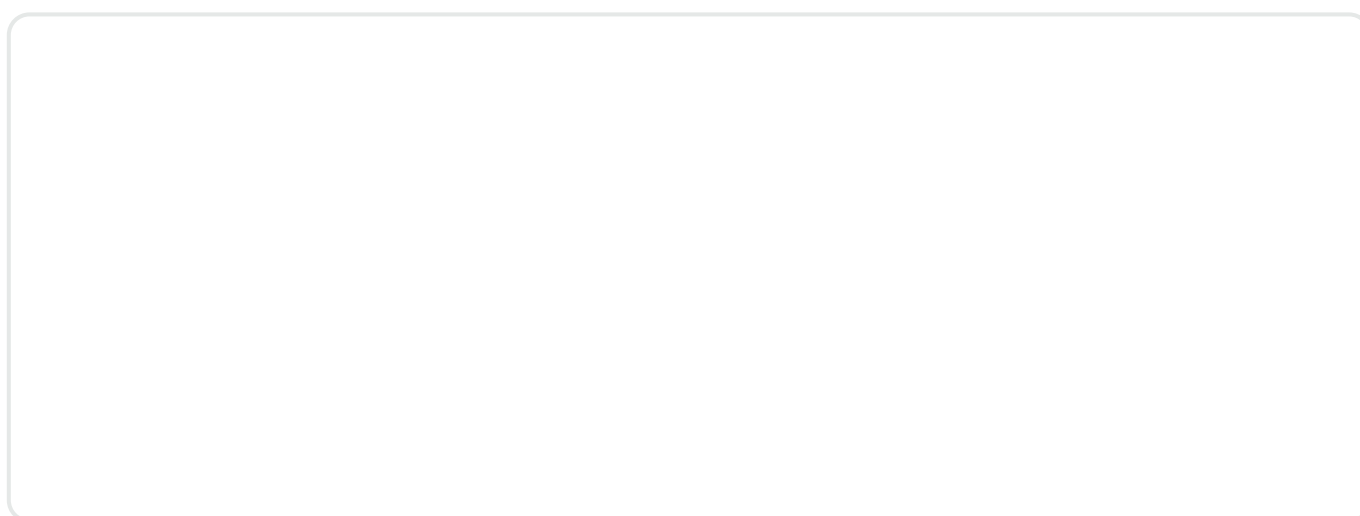
Pikitup applies the governance principles contained in King IV and continues to entrench and strengthen recommended practices in its governance structures, systems, processes, and procedures. The Board of Directors and Executives recognise and are committed to the principles of openness, integrity, and accountability advocated by King IV. Through this process, the Shareholder and other stakeholders may derive assurance that the entity is being ethically managed according to prudently determined risk parameters in compliance with generally accepted corporate practices. The Board is accountable to the CoJ in terms of the Companies Act and the local government regulatory framework, and contractually in terms of the Service Delivery Agreement and Shareholder Compact concluded with the CoJ. The Board provides effective leadership based on a principled foundation and high ethical standards. Responsible leadership, characterised by responsibility, accountability, fairness, and transparency, has been a defining characteristic of the entity since Pikitup's establishment in 2000.

Board Committees

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

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

Figure 5: Governance Structure



Audit and Risk Committee

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

- Ensuring compliance with applicable legislation and the requirements of regulatory authorities
- Overseeing the integrity of the integrated annual report and other external reports issued by the company to ensure stakeholders can make informed assessments
- Addressing matters relating to risk management
- Overseeing and assessing the effectiveness of the combined assurance model
- Evaluating the performance and effectiveness of the Chief Audit Executive (CAE), the internal audit arrangements and the annual audit
- Reviewing and recommending the approval of external audit plans, findings, reports, and fees
- Monitoring compliance with the Code of Corporate Practices and Conduct
- Monitoring compliance with the Code of Ethics
- Recommending approval of the Acquisition Plan
- Recommending and providing input into the multi-year Business Plan
- Advising and assisting the Board in the governance of information and technology to support the achievement of strategic objectives
- Assessing the suitability, expertise, and experience of the Chief Financial Officer (CFO) and the overall expertise of the finance function

Service Delivery Committee

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

- Strategising proactively around key people, technical, and operational issues to achieve Pikitup's goals
- Ensuring that operational and technical management takes place at the coalface
- Facilitating the effectiveness of existing operational resources, structures, and processes
- Optimising cross-group utilisation of Pikitup's operational and technical capabilities
- Supporting the executives for Operations, Landfill Management, Customer Services, and Waste Minimisation Strategy
- Overseeing programmes and fleet in key operational and technical initiatives

Social, Ethics, Human Resources and Remuneration Committee

The SEHRRC acts in terms of the Board's delegated authority and assists the directors in monitoring Pikitup's activities and disclosures in terms of legislation, regulations and codes of best practices related to::

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

The committee's responsibilities include:

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

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

Ethics and values

Pikitup subscribes to high ethical standards of business practice. Its values and Code of Conduct require staff to demonstrate integrity, mutual respect, and openness. Members of staff must challenge others who do not adhere to these values.

The Ethics Framework provides general guidance on minimum standards expected from all Pikitup employees and third parties. It promotes honest and ethical conduct and defines responsibilities for ethics in the workplace.

Ethics management highlights

- The ethics email address has been communicated to all Pikitup employees (pikutupethics@pikutup.co.za).
- The company's core values are displayed at every site and serve as a moral compass.
- A 100% compliance rate was achieved regarding the declaration of financial interests by Pikitup employees, as prescribed by the Code of Conduct for Municipal Employees contained in Schedule 2 of the MSA.
- Seven policies and eight SOPs were reviewed and updated.

Remuneration, Rewards, and Recognition Policy

The Remuneration, Rewards and Recognition Policy was reviewed in consultation with key stakeholders. The previous policy predominantly covered bi-annual group recognitions, while the reviewed policy encompasses remuneration, rewards, and recognition. The elements covered in the policy are:

- A transparent remuneration framework and key remuneration principles
- An expanded list of related definitions
- Definitions of the reward mix, including guaranteed pay frameworks and variable pay
- Standardised remuneration packages and salary scales (total guaranteed packages and package structures)
- Comparative benchmarking against market standards
- Operational provisions for annual salary reviews, 13th cheques, employment offers, salary adjustments, counter-offers, scarce skills determination, long service awards, and membership of professional bodies

Board Members

Non-Executive Directors

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

Independent Audit and Risk Committee Members

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

Executive Directors

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

Company Secretary

Adv. Larry Mallela





	Chairperson of Board
	Chairperson of Committee
	Member of Committee

			COMMITTEE				
Name	Tenure	Non-Executive	Independent Audit	ARC	SEHRRRC	SDC	
Mr Maxwell Nedzamba	30/07/2024 to 30/06/2025						R260 000
Mr Otsile Maseng	30/07/2024 to 30/06/2025						R232 000
Ms Sebenzile Mkhonto	30/07/2024 to 30/06/2025						R164 000
Mr Ntona Marota	30/07/2024 to 30/06/2025						R270 000
Ms Khumo Mogagole	30/07/2024 to 30/06/2025						R2 333
Mr Hai Shi	30/07/2024 to 30/06/2025						R170 800
Mr Thapelo Bodila	30/07/2024 to 30/06/2025						R0
Ms Ndivhuho Sekoba	30/07/2024 to 30/06/2025						R208 000
Mr Thabo Mokwena	30/07/2024 to 30/06/2025						R210 000
Mr Marvellous Ndhlovu	30/07/2024 to 30/06/2025						R8 052
Ms Malewa Radebe	30/07/2024 to 30/06/2025						R208 000
Ms Bukelwa Njingolo	30/07/2024 to 30/06/2025						R0
Mr Litshwani Matsila	30/07/2024 to 30/06/2025						R0

The Board presently consists of eleven non-executive directors, with two salaried executive directors and two independent ARC members. The profiles of the current board members are shown below:

BOARD MEMBER	PROFILE
 Mr Maxwell Nedzamba Role: Non-Executive Director, Chairperson of the Board of Directors Age: 49	Mr Maxwell Nedzamba is an experienced business director with nearly 20 years' experience building multiple businesses in Gauteng and Limpopo. He has contributed to the establishment of the Diepsloot Business Forum and the MOMES Foundation, focusing on the development of youth and women in arts and culture in Diepsloot. Qualifications: - Bachelor of Business Administration (in progress) Professional development: - Executive Development Programme – Institute of Directors South Africa (IoDSA) - Corporate Governance – IoDSA
 Ms Bukelwa Njingolo Role: Managing Director Age: 56	Ms Bukelwa Njingolo is a Fellow in Project Management. She previously worked for Johannesburg City Parks and Zoo (JCPZ) and held numerous positions with the City of Johannesburg. Qualifications: - Bachelor of Arts - Master of Business Leadership
 Mr Litshani Matsila Role: Chief Financial Officer Age: 47	Mr Litshani Matsila has experience in financial management, financial reporting, supply chain management, GRAP standards, internal financial controls and strategy, and internal and external audits. Qualifications: - BCom Accounting - Certificate in the Theory of Accounting - CA(SA) Professional development: - Registered Auditor – Independent Regulatory Board for Auditors (IRBA)

BOARD MEMBER

PROFILE



Mr Ntona Marota
Role: Non-Executive Director, Chairperson of the ARC
Age: 45

Mr Ntona Marota is a proven leader and an expert in public finance and corporate governance. His experience has enabled him to provide strategic direction, integration and coordination of finance, as well as assurance services to achieve organisational strategic objectives.

Qualifications:

- CA(SA)
- Master of Business Administration (MBA)
- Postgraduate Certificate in Financial Accounting
- Baccalaureus Commerci Honours and Computations

Professional development:

- Registered Auditor (IRBA)
- Registered Government Auditor (Southern African Institute of Government Auditors)
- Corporate Governance – IoDSA



Ms Sebenzile Mkhonto
Role: Non-Executive Director, SEHRC member
Age: 37

Ms Sebenzile Mkhonto has experience across multiple disciplines, including human resources, project management, marketing, and digital marketing. She is responsible for overseeing the planning, execution, and delivery of various projects, thereby contributing effectively to diverse organisational needs.

Qualifications:

- Diploma in Business Administration
- Public Administration, Information Technology, Project Management and Communication
- Secretarial and Reception
- Digital Marketing (in progress)



Mr Simon Hai Shi
Role: Non-Executive director, SDC member
Age: 58

Mr Simon Hai Shi has held numerous positions across the South African private sector since 1992. He is responsible for design assurance of the electrical system. Mr Shi is also actively involved with the South African Chinese community.

Qualifications:

- BSc Electronic Engineering

BOARD MEMBER



Mr Thapelo Bodila
Role: Non-Executive Director, SDC member
Age: 37

PROFILE

Mr Bodila previously served as a Litigation Specialist at the Gauteng Gambling Board ensuring compliance with relevant laws and regulations within the gambling industry. Currently, he holds the position of Company Secretary at the Gauteng Gambling Board, where he oversees corporate governance, compliance, and administrative functions. His combined experience makes him a key asset in supporting the organisation's legal and operational integrity.

Qualifications:

- Postgraduate Certificate in Basic Administrative Law
- LLB
- BCom Law



Ms Ndivhuho Sekoba
Role: Non-Executive Director, SEHRRRC member
Age: 62

Ms Ndivhuho Sekoba's qualifications have equipped her with the skills and knowledge necessary to plan, execute, and oversee a variety of initiatives. As a passionate community advocate, she is the founder of several community forums dedicated to promoting development, empowerment, and collaboration within her community. Her active involvement in numerous community projects reflects her commitment to making a positive impact and driving sustainable development at the grassroots level. Ms Sekoba has undergone intensive international training focused on women in development projects and leadership roles, further enhancing her capacity to lead initiatives that promote gender equality, women's empowerment, and community resilience.

Qualifications:

- Project Management
- Women and the Law



Mr Otsile Maseng
Role: Non-Executive Director, Chairperson of the SDC
Age: 50

Mr Otsile Maseng is a highly experienced Chief Operating Officer with over 20 years of expertise in driving operational excellence and financial growth across diverse industries. He has a track record of leading complex operations, managing large teams, and achieving strategic objectives. His comprehensive expertise encompasses financial management, revenue generation, project leadership, legal compliance, and risk mitigation to optimise organisational performance and sustainable growth.

Qualifications:

- Executive Development Programme
- Property Development Programme
- MBA
- B Juris

BOARD MEMBER



Ms Khumo Mogagole
Role: Non-Executive Director, SDC member
Age: 31

PROFILE

Ms Khumo Mogagole is a passionate, self-motivated individual committed to driving positive change in education. She has gained valuable experience through her work at Numeric.org and in academic support roles for third-year students, greatly enhancing her communication skills. With six years of experience within the Department of Education and involvement in programmes such as Professional Learning Communities, she applies her expertise to advance the strategic objectives of the organisation.

Qualifications:

- Postgraduate Diploma in Inclusive Education
- Bachelor of Education



Mr Thabo Mokwena
Role: Non-Executive Director, SDC member
Age: 35

Mr Mokwena has over 10 years' working experience holding several positions handling complex problems. He has a background in quantity surveying, overseeing civil works divisions, analysing and verifying tender documents, and monitoring compliance.

Qualifications:

- Diploma in Civil Engineering
- Diploma in Architectural Draughting



Mr Marvelous Ndlhovu
Role: Non-Executive Director, Chairperson of the SEHRRC
Age: 42

Mr Ndhlovu has extensive experience in negotiation, with affiliations across several federations, including COSATU, focusing on the resolution of grievances and engagement with employers. He has board experience, having served as a Non-Executive Director under the Department of Tourism in 2020.

Qualifications:

- Project Management
- Introduction to Labour Law

BOARD MEMBER



Mr Malewa Radebe
Role: Non-Executive Director, ARC member
Age: 37

PROFILE

Mr Malewa Radebe is an experienced business insights and systems analyst who interprets data to identify trends, optimise operational processes, reduce costs, and formulate business strategies. He has a track record of providing robust, timely financial and business analytics for strategic decision-making, alongside objective risk assessments that quantify systemic threats. Utilising advanced analytical skills in collecting, organising, and disseminating information, he ensures optimal organisational solutions are implemented. He is a member of the BRICS Business Council Skills Development Working Group.

Qualifications:

- Master of Management (Governance and Management)
- B Admin (Honours): Public Administration
- Bachelor of Political Science
- Nyukela Public Service SMS Pre-entry Programme Certificate
- National Certificate: Banking & Financial Services
- ISTQB Foundation Level Certification



Mr Larry Mallela
Role: Company Secretary
Age: 43

Mr Mallela has extensive experience in both the private and public sectors in the areas of law, governance, and risk and compliance management.

Qualifications:

- Master of Laws in Development and Management Law (LLM)



Board and Committee Meetings: Financial Year July 2024–June 2025

Table 5: Key Board and Committee Recommendations and Resolutions

Board of Directors Recommendations and Resolutions Q2 2024/25		
Meeting Date	Resolution	Status
15 October 2024	The Board adopted the findings of the Forensic Investigation Report regarding the recruitment of the 300 general workers and resolved that the recommendations be implemented accordingly.	-
23 October 2024	The Board Charter was approved with the following recommendations: incorporation of continuing professional development training provisions and inclusion of benchmarking initiatives, subject to funding availability. The motion was approved by Mr Malewa Radebe and unanimously adopted.	Implemented
	The SEHRRC Charter was reviewed and approved by the Board. The motion was approved by Mr Marota, seconded by Mr Maseng, and unanimously adopted.	Implemented
	The SDC Charter was reviewed and approved by the Board. The motion was approved by Mr Shi, seconded by Ms Sekoba, and unanimously adopted.	Implemented
	The ARC Charter was reviewed and approved by the Board. The motion was proposed by Mr Maseng, seconded by Mr Mokwena, and unanimously adopted.	Implemented
	The Board of Directors resolved to approve the implementation of a 4.25% salary increment for all employees as per the five-year Bargaining Council agreement, effective July 2024. The resolution was moved by Mr Marota and seconded by Mr Mokwena and unanimously adopted.	Implemented
	The Board of Directors resolved to approve the write-off of unauthorised, irregular, fruitless, and wasteful (UIFW) expenditure totalling R50.1 million for the financial years 2020/21, 2021/22, and 2022/23, as per the presented report. The breakdown includes fleet contract expenditure, landfill plant and equipment expenditure, and irregular expenditure relating to the leasing of the Head Office building.	Implemented
28 November 2024	The Board noted the audited findings outcome for the annual financial year concluded on 30 June 2024.	Implemented
	The AGSA Audit Report was approved together with the audited financial statements for the 2023/24 financial year.	Implemented
	The audited financial statements ending 30 June 2024 were reviewed and approved.	Implemented
	The bonus pay-out for the 2023/24 financial year was approved and would be processed in accordance with the current Bonus Performance Management Policy.	Implemented
	The Board directed the Human Resources (HR) Department to initiate recruitment under the CoJ Group Talent Acquisition Policy Framework. The Internal Talent Acquisition Policy (TAP) must be expedited for finalisation. The Board considered the matter and resolved that, pending the revision of the Pikitup TAP, the CoJ TAP should be utilised on an interim basis.	Implemented
5 December 2024	Performance bonuses of 4.6% for 2023/24 were approved, with a directive for HR to ensure robust moderation and fairness in future evaluations.	Implemented
	The revised Talent Acquisition Policy was approved. A two-month extension for recruitment processes was granted.	Implemented

Board of Directors Recommendations and Resolutions Q3 2024/25

Meeting Date	Resolution	Status
28 January 2025	The Board approved the audit findings outcome for the financial year ending 30 June 2024.	Implemented
	The Board resolved to approve the Q2 Performance Report.	Implemented
	Approval of the 2024/25 Adjustment Budget and the 2025/26–2027/28 Medium-Term Revenue and Expenditure Framework (MTREF) The Board resolved to ratify the 2024/25 Adjustment Budget and the 2025/26–2027/28 MTREF, as presented and tabled at the City. The Board endorsed the proposed tariff adjustment of 6.6% (CPI + 2%) for the 2025/26 financial year as necessary to maintain financial sustainability.	Implemented
28 January 2025	The Board engaged in deliberations on the verbal report presented by the Nominations Committee. Following a robust discussion and due consideration of the recommendations, the Board formally approved the appointment of the recommended candidates to Chief Operating Officer, Company Secretary, and Executive Manager Business Sustainability positions, subject to final procedural formalities. The Board resolved that a comprehensive written report detailing the executive recruitment process and outcomes be circulated to all Board members via round-robin resolution, to ensure formal ratification and compliance with corporate governance requirements.	Implemented
	The Board resolved to ratify the Q2 performance report and noted the ARC Chairperson's report; the motion was moved by Mr Ndhlovu and seconded by Mr Shi.	Implemented

Board of Directors Recommendations and Resolutions Q4 2024/25

Special Board 30 June 2025	The Commercial Service Provision Outside Johannesburg Report was approved in principle, allowing management to proceed with stakeholder engagements and preparatory work. The approval was subject to the following conditions: - Completing a feasibility study to evaluate financial, operational, and legal implications - Obtaining a legal opinion to ensure compliance with relevant frameworks and regulations - Identifying the client clearly (either the province or the municipality) and agreeing on funding mechanisms A dedicated project team, led by the CFO, was established to oversee the initiative and address any ambiguities identified during discussions.	Implemented
	The commercial services pricing increase of 4.6% for the 2025/26 financial year was unanimously approved by the Board, with members noting its alignment with strategic priorities and financial sustainability.	Implemented
	The expenditure of R137 million was approved for write-off.	Implemented
	The proposal for the transfer of casual workers employed under ad hoc contracts to Pikitup under Section 197 of the Labour Relations Act was met with unanimous approval from the Board, marking a significant step forward in addressing long-standing employment practices within the organisation. Board members reiterated the importance of ensuring seamless worker transitions under Section 197, advocating for continued diligence in executing the transfer process.	Implemented

SECTION 2: HIGH-LEVEL ORGANISATIONAL STRUCTURE

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

Figure 6: High-Level Organisational Structure



Table 6: Executive Management Roles and Responsibilities

Role	Responsibilities
Managing Director	Responsible for the development and implementation of business plans to enhance cost efficiency. This role includes maintaining trust-based relationships with business partners, shareholders, and regulatory authorities while overseeing business operations, financial performance, investments, and strategic ventures.
Executive: Commercial	Responsible for overseeing customer relationship management at Pikitup, which includes addressing customer inquiries, managing revenue, and soliciting customer feedback. This role entails the identification of new commercial opportunities and the advancement of business growth and service excellence, aimed at establishing the company as a market leader in waste management within the City of Johannesburg.
Executive: Corporate Services	Responsible for providing critical support functions that enable Pikitup to achieve its objectives as outlined in the SDA with the Shareholder. The role also involves developing and implementing of Human Capital Management strategies, policies, and plans.
Executive: Information and Communication Technology	Responsible for establishing the company's ICT technical vision and leading all facets of technology development. This role entails shaping the company's strategic direction, development, and future growth while directing the implementation of technology platforms, as well as fostering partnerships and managing external relationships.
Chief Operating Officer	Primarily responsible for developing, implementing, and evaluating comprehensive operations at Pikitup. This focuses on upholding a consistent standard of service excellence aligned with the strategic objectives and intentions of the CoJ and Pikitup, as well as fulfilling SDA obligations to the Shareholder. This encompasses the entire waste management value chain, including collection, reuse, treatment, and disposal. Furthermore, it entails managing both municipal and commercial services and overseeing fleet management.
Chief Financial Officer	Accountable for the comprehensive funding and financial management of Pikitup. This role provides financial leadership to the cluster by directing financial activities, facilitating the development of business plans, and overseeing accounting practices. Responsibilities include ensuring the timely preparation of financial reports, forecasts, and analyses of business performance.
Executive: Legal, Governance, Risk and Compliance (Company Secretary)	Responsible for overseeing legal and compliance risk management, enterprise risk management, ethics, and the corporate secretariat. This role ensures Pikitup upholds exemplary corporate governance standards by serving as a communication conduit between the Board of Directors and the Shareholder. Key responsibilities include providing timely and accurate reports on company procedures and developments and recommending actions and policies for Board deliberation.
Executive: Business Sustainability	Responsible for maintaining an impartial, accountable, and transparent strategic support service that enhances organisational efficiency. This role focuses on establishing and sustaining relationships with both internal and external stakeholders to ensure the seamless flow of information and high-level correspondence across relevant offices.
Chief Audit Executive	Responsible for the overall functionality of the Internal Audit Department, ensuring the internal audit function fulfils its purposes, roles, and responsibilities as defined in the Audit Charter. The CAE's role includes assessing the effectiveness and adequacy of internal controls, risk management processes, and governance structures.

SECTION 3: GOVERNANCE OF STAKEHOLDER RELATIONSHIPS

Effective stakeholder management is essential to Pikitup's ability to deliver high-quality municipal services to the residents of Johannesburg. The array of services provided by Pikitup necessitates daily engagement with various stakeholders and clients, including homeowners, sector organisations, educational institutions, businesses, and industries.

Collaboration with other CoJ departments and entities is vital for the successful implementation of Pikitup's programmes and requires ongoing consultation. Key partners include regional offices, the JMPD, Environmental Health, JCPZ, and the Fresh Produce Market. Pikitup facilitates various forums that allow stakeholders to express concerns, including environmental forums focused on landfill compliance, interactions with the recycling industry, and forums for businesses and reclaimers.

Pikitup engages with a diverse array of individuals, groups, and organisations that are either impacted by the entity's operations or that may influence the provision of waste management services. Stakeholders are classified based on their relationship with Pikitup or their potential impact on the organisation's sustainability, growth, profitability, and service delivery, as well as its constitutional and social obligation to provide waste management services.

Stakeholders play a crucial role in keeping management accountable, ensuring that leaders are responsible for significant organisational decisions. Platforms for dialogue are established through meetings, forums, surveys, briefings, and one-on-one interviews.

In line with the principles of accountability, Pikitup's stakeholder engagement programme – including public consultation as part of the IDP – is structured to incorporate feedback from interested and affected parties. This feedback is instrumental in identifying and delineating risks faced by

the organisation, enhancing understanding of the dynamic operating environment, facilitating learning that informs service delivery improvements, educating the public about the importance of Pikitup's mandate, ensuring the effective allocation of resources to address challenges, and seeking resolutions to industry-wide concerns.

Policies and procedures to enhance stakeholder engagement

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

- King IV Report
- AA1000 Stakeholder Engagement Standard
- Stakeholder Engagement Strategy
- Policy Disclosures Relating to Intergovernmental Relations



The following reflect Pikitup's key stakeholder relationships and collaborative engagements:

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



Table 7: Pikitup Stakeholder Matrix

Stakeholder	Category	Programme for Partnering/ Involvement	Strategic Goal and Objective		Deliverables
City Parks, City Power, Johannesburg Development Agency (JDA), Johannesburg Roads Agency, Johannesburg Property Company (JPC), JMPD, Joburg Water, Department of Social Development, Planning Department, regional directors, councillors and councillor forums, ward committees, CRUM	CoJ and City entities	- Policy and strategy - GDS 2040 - IDP #KleenaJoburg Reloaded - Education and awareness - Service delivery - Domestic worker training - By-law enforcement - Illegal dumping	Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 3: Effective delivery of waste services	- To ensure that waste to landfills is minimised - To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner - To ensure effective and efficient waste services	- Eradication of illegal dumping - Promotion and assurance of effective delivery of waste services - Community upliftment
ABSA, Capitec, FNB, Nedbank, Old Mutual, Sanlam, Standard Bank, Santam, Liberty, First for Women, Outsurance, etc.	Financial services institutions	#KleenaJoburg Reloaded - Clean-up campaigns - Illegal dumping - School recycling programmes - Development of entrepreneurs in the waste management business	Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 3: Effective delivery of waste services Goal 4: Partnerships and stakeholder engagement	- To ensure that waste to landfills is minimised - To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner - To ensure effective and efficient waste services - Increasing partnerships to deliver and ensure active stakeholder engagement	- Eradication of illegal dumping - Waste minimisation - Good citizenship
Protien Technology, Bidvest, Topturf, BiomimicrySA, Bio2Watt, Biogas SA, Culterra, Development Bank of SA, DEA, Department of Science and Technology, Earth Cycler, On-Site Food Waste Composter, Earth Probiotic Recycling Solutions, earthworm farming, Eco-Eye Waste Management, Envitech, EPR Waste Association of South Africa (eWASA), GardenDrums Gauteng, Green Office, Gauteng Industrial Symbiosis Programme, GDARD, GDED, GreenCape Foundation SA, Green Earth	Industry players (organic/ garden waste)	- Development of a garden/ organic waste strategy - Organic waste solutions - Research and development	Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 2: Realisation of value throughout the waste value chain	- To ensure that waste to landfills is minimised - To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner - To use waste as a resource for poverty alleviation and to create job opportunities	Expansion of the waste sector's contribution to the green economy

Stakeholder	Category	Programme for Partnering/ Involvement	Strategic Goal and Objective	Deliverables
Concepts, Green Efficiency Fund, Green Shoots South Africa, Green Technology Innovations, Green Touch, Growthpoint Properties, Health Care Waste Forum of SA, Industrial Development Corporation of SA, iLive Sustainable Development, Interim Johannesburg Reclaimers Committee, INOVA Group, Institute for Economic Research on Innovation (Tshwane University of Technology), Institute for Waste Management SA, Jeffares & Green, Joburg Green Map, Kateka Holdings/ SA Waste Pty, Khabokedi, Landfill Consult, Life Green Group, Likhutsa Project, Mfangano Solutions National Treasury (PPP Unit), NEWGX Organics, Recycling Association of SA, Oxfam SA, Plantwise, Reliance Compost SA, SA GAS, South African Biogas Industry Association, South African Landscapers Institute, South African Nursery Association, Turfnet, Tech Experts/Co, Bioenergy Research Group, Viewpoint Farming			Goal 4: Partnerships and stakeholder engagement To increase partnerships to deliver and ensure active stakeholder engagement	
Checkers, Shoprite, Pick n Pay, Spar, Woolworths, clothing industry, Makro, Jumbo	Retailers	- Education and awareness #KleenaJoburg Reloaded - School recycling programmes - Clean-up campaigns - Corporate social investment - Plastic waste	Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 4: Partnerships and stakeholder engagement - To ensure that waste to landfills is minimised - To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner - To increase partnerships to deliver and ensure active stakeholder engagement	- Waste minimisation - Eradication of illegal dumping
Cashbuild, Build it, Builders Warehouse, PPC, Afrisam, Murray & Roberts	Building and construction industry	- Solutions for builders' rubble - Education and awareness campaigns - Skills development	Goal 1: Integrated waste management, waste prevention, and waste minimisation - To ensure that waste to landfills is minimised - To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner	Eradication of illegal dumping

Stakeholder	Category	Programme for Partnering/ Involvement	Strategic Goal and Objective		Deliverables
Waste pickers, NGOs, NPOs, churches, schools, community leaders, co-operatives, communities	Civil society	• Education and awareness campaigns • Clean-up campaigns • Community mobilisation • School recycling programmes • Integration of waste pickers • #KleenaJoburg Reloaded	Goal 4: Partnerships and stakeholder engagement	• Increasing partnerships to deliver and ensure active stakeholder engagement	• Mandatory S@S • Eradication of illegal dumping • Improvement of customer satisfaction and changed behaviour
Hawkers' associations, taxi associations, restaurant associations, ratepayers associations, builders' associations, environmental forums, Franchise Association of SA	Associations	• Illegal dumping • Clean-up campaigns • Education and awareness • By-laws	Goal 3: Effective delivery of waste services Goal 4: Partnerships and stakeholder engagement	• To ensure effective and efficient waste services • Increasing partnerships to deliver and ensure active stakeholder engagement	• Eradication of illegal dumping • Mandatory S@S
Polyco, Waste Group, TFM Petco, Plastics SA, National Recycling Forum, Mpact Recycling, EnviroServ Waste Management, Interwaste, Nampak, Remade Recycling, Tedcor	Industry players (recycling)	• Recycling optimisation • Waste pickers • School recycling programmes	Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 4: Partnerships and stakeholder engagement	• To ensure that waste to landfills is minimised • To ensure appropriate infrastructure is developed to dispose of waste in a sustainable manner • To increase partnerships to deliver and ensure active stakeholder engagement	• Waste minimisation • Mandatory S@S
CCBSA (Coca-Cola), Adcock Ingram, British American Tobacco, Road Accident Fund, Total SA, Avis, Shell, Best Petroleum, Engen Petroleum, Cobra, Food & Trees for Africa, Green Development Foundation, WAO Host, Qhubeka	Businesses	• Recycling optimisation • School recycling programmes • Clean-up campaigns • Education and awareness programmes • Waste pickers • #KleenaJoburg Reloaded	Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 4: Partnerships and stakeholder engagement	• To ensure that waste to landfills is minimised • To increase partnerships to deliver and ensure active stakeholder engagement	• Waste minimisation • Eradication of illegal dumping

Stakeholder	Category	Programme for Partnering/ Involvement	Strategic Goal and Objective		Deliverables
Unisa, University of Johannesburg, Wits University, University of Pretoria, Colleges, and FET institutions	Institutes of higher learning	- Research and development - Innovation and guidance	Goal 2: Realisation of value throughout the waste value chain	To use waste as a resource for poverty alleviation and to create job opportunities	- Eradication of illegal dumping - Waste minimisation - Expansion of the waste sector's contribution to the green economy
McDonald's, Chicken Licken, Fishaways, Steers, Nando's, Spurs, Panarottis, KFC, etc.	Food outlets and restaurants	- Clean-up campaigns #Kleenajoburg Reloaded - Recycling optimisation - Food waste	Goal 3: Realisation of value throughout the waste value chain	- To use waste as a resource for poverty alleviation and to create job opportunities - To ensure that waste to landfills is minimised	- S@S - Eradication of illegal dumping



Pikitup's primary stakeholders are those requiring close management and active engagement, while secondary stakeholders are kept informed and monitored on an ongoing basis. Stakeholder engagement is aimed at positioning the organisation favourably and mobilising support and collaboration in the delivery of its mandate and programmes. A power/interest model is used to manage stakeholder expectations and relationships.

Table 8: Stakeholder Engagement Register – Power/Interest Framework

Stakeholder	Main Interest/Need	Mediums of Engagement (Methods)	Impact on Performance
Shareholder	- Capital growth - Improved share value - Successful organisation - Business continuity - Customer satisfaction	- Annual general meetings - Mayoral Iekgotlas - Shareholder meetings - Committee meetings - Quarterly meetings with Chair - Monthly cluster meetings/forums - Monthly, quarterly, and annual reports - Mayoral Flagship Project	- Guidance and support - Counsel and policy direction
Board of Directors	- Profit - Shareholder Compact - Compliance - High performance standard - Business continuity	- AGM - Board meetings - Emails - Monthly, quarterly, and annual reports	- Strategic direction - Enhanced performance - Satisfied Shareholder
Employees	- Working conditions - Job security - Remuneration - Career opportunities - Training and development	- Roadshows - Posters - Intranet - Depot roll calls - Labour meetings	- Dedicated workforce - Improved service delivery - Good working relationship
Organised labour	- Employee welfare - Employment conditions - Health and safety of employee	- Local Labour Forum - Labour Management Forum	- Informed labour - Good working relationship
Customers	- Value for money - Service delivery - Quality of service	- Media - Internet - Billing - Call centre - Surveys	- Satisfied customers - Collaboration - Trust and understanding
Community	- Environmental responsibility - Social and economic benefit - Periodic engagements - Job creation	- Community engagements - CRUM engagements/meetings - Media - Call centre - Campaigns - Surveys	- Good and active citizenry - Good working relationships - Trust and empathy
Business	- Collaboration - Partnerships - Involvement - Doing business with Pikitup	- Participation in waste campaigns to mobilise the public to change behaviour and take responsibility for waste management - Partnerships in implementation of projects - Collaboration on implementation of projects such as Adopt-a-Spot	- Strategic partnerships and collaborations - Buy-in and support

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

Communications and Stakeholder Engagement

In the 2024/25 financial year, the Communication and Stakeholder Management Department made significant progress in enhancing brand visibility and stimulating public engagement through strategic marketing initiatives, education, and awareness initiatives.

Marketing

Strategic brand collaboration

Pikitup, through its Marketing Unit, partnered with renowned Afro-soul artist Donald, who featured Pikitup prominently in his music video at no cost. This collaboration went viral, attracting millions of views across TikTok, Instagram, X, Facebook, and YouTube, amplifying positive

public sentiment and repositioning the brand as a leading authority in sustainable waste management.



Truck branding campaign

Branding wraps were implemented on new compactor trucks, transforming them into mobile billboards. Messaging focused on educating the public about illegal dumping, recycling, bin replacement protocols, bulky waste collection, and skip hire services, reinforcing Pikitup's commitment to responsible waste management.



Events Management

During the period under review, the Communication and Stakeholder Management Department successfully executed and supported a wide range of events.

Flagship events:

- **Handover of Upgraded Protea North Garden Site** (1 July 2024): Handed over the site to the Protea North community.
- **Mandela Month Activities** (July 2024): Executed 16 impactful events, including tree planting, donations to co-ops and elderly homes, clean-ups, and school environmental education programmes.
- **Gauteng Province Joburg CBD Revitalisation Programme Launch** (30 August 2024): Supported this Premier-led initiative by leading on branding, social

media promotion, clean-up activation, and public education and awareness.

- **Pikitup Board Induction** (5–6 September 2024): Hosted a two-day induction and facilities tour for new Board members.
- **Community-Based Planning Sessions** (October–November 2024): Facilitated 17 sessions across all regions, ensuring brand presence, community engagement, and environmental education and awareness.
- **E-Waste Programme Launch** (4 December 2024): Collaborated with eWASA to launch the programme led by the MMC for Environment and Infrastructure Services, in which 150 participants (co-operatives and waste reclaimers) received tools and training in e-waste.
- **IDP Sessions** (April–May 2025): Participated in 16 sessions (online and physical), offering platforms for the CoJ and its entities to align with community service priorities.
- **Mayoral KleenaJoburg 100 Spots Project Launch** (3 June 2025): Showcased a project by the CoJ Executive Mayor in Senoane Park, which focused on the rehabilitation of an illegal dumping spot into a productive community space.
- **Clean Cities and Towns Campaign Launch by Deputy President** (6 June 2025): Played a central role in this launch by leading community-led clean-up activations.

Environmental calendar days and community events

- Pikitup, in collaboration with its stakeholders, celebrated Earth Day on 22 April 2025. The theme for 2025 – “Our Power, Our Planet” – championed the rejection of plastic in favour of reusable alternatives. The event featured schools participating in recycling programmes, with prizes – donated by Pikitup's co-operative partner

Mr Bin – awarded to the top three schools. The MMC for Environment and Infrastructure attended to raise awareness among the Region D community of the importance of reducing, recycling, and reusing materials to extend landfill lifespans and protect the environment.

- The Selby Depot hosted a further Earth Day event, facilitated by one of its S@S co-operatives, featuring a fashion show in which young women showcased clothing designed from recycled materials.
- A World Environment Day event was held on 5 June 2025, themed #BeatPlasticPollution. The event highlighted the urgent issue of plastic pollution and its impact on the environment, emphasising the importance of systemic change that goes beyond recycling.
- In commemoration of National Recycling Day on 20 September 2024, Fairview Primary School and New Nation School each received a donation of recycling bins to support S@S participation.
- A total of 15 Pikitup employees and 15 JCPZ employees received chipper operation training, with competency certificates awarded and sponsored by C40.
- S@S co-operatives and garden site entrepreneurs attended a co-operative governance training programme presented in partnership with the Department of Economic Development.
- The e-waste recovery programme training and launch were held during the period under review, with both existing S@S co-operatives and new co-operatives taking part. This initiative aims to assist Pikitup and its stakeholders in addressing the growing challenge of electronic waste, which has become a pressing global concern. According to the World Health Organization fact sheet on e-waste, an estimated 62 million tonnes of e-waste were generated worldwide in 2022, with only 22.3% formally collected and recycled.

Additional highlights:

- Civic Education Drives (August 2024 and February–March 2025)
- National Clean-up and Recycle Week Celebration (20 September 2024 at Fairview Primary School)
- Purpose Buy Back Centre Launch (4 October 2024 in Eldorado Park)
- Soweto Marathon Brand Activation (3 November 2024)
- Tariff Briefing Sessions (18–19 June 2025)



Social Media Communication

Throughout the year, social media, particularly X (formerly Twitter) served as a vital channel for public communication, reputation management and education. Content was strategically crafted and aligned to Pikitup's mandate, including:

- Service delivery alerts and illegal dumping clearing
- Recycling and waste minimisation awareness

- Public warnings on scams and safety tips
- Community events
- Themed campaigns during Easter, Africa Month, and Youth Month
- Tariff Briefing Sessions (18–19 June 2025)

Clean-Up Campaigns

The Communication and Stakeholder Management Department led and participated in more than 60 clean-up campaigns and activations across all regions under the following banners:

- Mayoral accelerated and high-impact service delivery activations
- Generic clean-ups

- War on Waste campaigns
- CBD Fridays (provincial initiative)

Collaborations were formed with the CoJ, the Department of Cooperative Governance and Traditional Affairs (COGTA), CRUM, Jozi My Jozi, schools, NPOs, the private sector and residents. Notable clean-up activations included:

- Inner-City clean-ups in partnership with Rosebank College, Beacon of Change, and Selby Depot
- Earth Day campaign in Eldorado Park (22 April 2025)
- Waste awareness campaign at Diepsloot Taxi Rank (26 May 2025)
- Joint service delivery efforts across Randburg, Windsor East, and Chiawelo in May 2025

Stakeholder Management and Partnerships

Pikitup stakeholders continue to be engaged in promoting and positioning the organisation favourably and to secure their support for organisational objectives and programmes.

Table 9: Stakeholders Involved in Pikitup Initiatives and Programmes

Stakeholder	Pikitup Initiative/Programme
• CCBSA • Unico • Gauteng Department: Agriculture and Rural Development • Polyco PRO • CSIR • Experian • Zodwa Khoza Foundation • University of Johannesburg • Small Enterprise Development and Finance Agency • Avery Dennison • Met-Pac • Safe-Hub • DFFE • LG SETA	• Global Recycling Day • Earth Day • World Wetlands Day • International Environmental Education Day • Human Rights Day • Climate Change Day • Water Day • e-Waste Day • World Cleanup Day • World Environment Day • Arbor Day • International Food Waste Day, • SA Clean-up and Recycling Week, • Heritage Day • Science Week • Nelson Mandela Day

Partnerships

Waste minimisation initiatives and programmes were largely supported by, and benefitted from, the partnerships formed. A total of five Memoranda of Understanding and seven Letters of Intent were signed with various partners and stakeholders. These agreements continue to be operationalised and have yielded the much-desired outcomes.

Table 10: Partnerships and Areas of Collaboration

Partner	Area of Collaboration and Outcomes
Rand Water Foundation	A total of 50 EPWP job opportunities were created through 13 co-operatives contracted by Pikitup to undertake cleaning and illegal dumping removal.
EWASA	Six shipping containers were donated to co-operatives and organisations that work with Pikitup in waste minimisation efforts: - Sikhulisa Intsha Yethu - Isicelo Sethu Co-operative - Bontle ke Tlhago - Umsebenzi Wethu Co-operative These co-operatives were given theoretical and manual training on electronic waste. Sixty-nine waste pickers who operate from the Marie Louise Landfill Site also received the theoretical training.
Fibre Circle	Creating opportunities for SMMEs/co-operatives that work with paper. Working on a plan to refurbish the Ballyclare Garden Site in Randburg.
Adopt a Community (NPO)	Promoting behavioural change through education and awareness. White labelling the S@S application developed and currently used by the stakeholder for deployment under Pikitup's own brand.
City Parks	Rehabilitation of illegal dumping spots.

Letters of intent were signed with the following stakeholders, who are collaborating with Pikitup on various initiatives and programmes:

- Sikhulisa Intsha Yethu Recycling:** Working together to promote recycling at schools
- Seed Academy:** Supporting co-operatives through circular economy principles, including skills development, business development, coaching, and mentorship
- Impilo Recycling:** Activating clean-up campaigns and education and awareness programmes
- Agri-Space for Women:** Conducting clean-up

campaigns and establishing food gardens

- Soweto Tourism:** Conducting clean-up campaigns and promoting youth empowerment
- Joburg New s:** Developing community-focused stories that highlight successes and community involvement in waste minimisation and other environmental efforts
- African Women Leadership:** Establishing a buy-back centre in Orlando East (Soweto) to create youth involvement and entrepreneurial opportunities in waste minimisation

Education and Awareness

Pikitup intensified its education and awareness initiatives to encourage greater participation in the S@S programme. These initiatives were designed to divert waste from landfills while creating a cleaner, safer, and better-managed environment within communities. A variety of educational and awareness engagements were implemented, including workshops for trainers on effective waste management practices and recycling, door-to-door campaigns, presentations at schools, recycling competitions, and the commemoration of significant environmental calendar days. The key achievements for the 2024/25 financial year are summarised as follows:

- 42 151 learners from 161 schools benefitted from presentations on sound waste management practices such as upcycling and recycling during the 2024/25 financial year.
- 1 934 Urban Rangers and EPWP members from CRUM received training sessions on environmental education and awareness, recycling, and upcycling.
- Over 600 community members attended training sessions on environmental education and awareness.
- 431 members of 47 different co-operatives, including the EISD, Gauteng Department of Education, and DFFE received training sessions on environmental education and awareness.
- 16 environmental calendar days were celebrated in the 2024/25 financial year.
- 409 students from the University of Johannesburg community volunteer desk, Rosebank College, Kunokhanya Training Academy and Gem-Meg Training & Projects gained insight from presentations on sound waste management practices such as up-cycling and recycling during the 2024/25 financial year.
- 1 752 community members, inclusive of Soweto Tourism volunteers, attended training sessions on environmental education and awareness, including sound waste management practices, recycling, and upcycling.
- 1 041 Pikitup employees from four depots in lower to senior management levels received presentations on UIFW expenditure, migration, and placement.





Training of Rangers and SEF from CRUM in Region F on waste management practices including recycling



Education and awareness on recycling and up-cycling in schools



Celebrations for National Science Week, International E-Waste Day, Transport Month, Climate Change, Anti-litter days and school environmental debates for Arbor Day, SA Clean-up Day, Nelson Mandela Day, and Recycling Day

External Communication

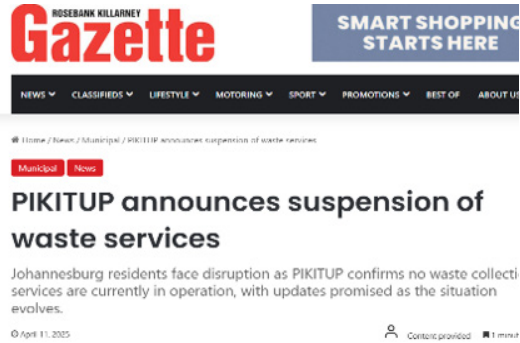
During the review period, Pikitup received 392 media mentions, receiving both positive and negative coverage. While negative reports focused on allegations of nepotism, political interference, and service delivery issues linked to labour unrest, Pikitup has proactively moved to address these concerns. Positive media coverage highlighted the entity's involvement in numerous clean-up campaigns, both independently and in collaboration with public and private stakeholders.

It should be emphasised that the media coverage was the result of proactive and media engagement strategies, yielding significant financial savings based on the achieved Advertising Value Equivalent (AVE).

Number of media mentions received	Earned AVE
392	R15 819 492.04



Joburg's Bold Initiative to Tackle Illegal Dumping: A Clean-Up Drive for a Healthier City
by [Name] | 10 May 2024



Gazette
ROSEBANK KILLARNEY
SMART SHOPPING STARTS HERE

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Home / News / Municipal / PIKITUP announces suspension of waste services

PIKITUP announces suspension of waste services

Johannesburg residents face disruption as PIKITUP confirms no waste collection services are currently in operation, with updates promised as the situation evolves.

04 April 11, 2025 Content provided 1 min read



EPWP workers protest against alleged nepotism at Pikitup
Shedrack Mkhize | Published 8 months ago

A group of EPWP workers contracted to Pikitup marched to the city of Joburg offices on Monday 10



SABC NEWS
SOUP NEWS

Pikitup
17 June 2025 12:00 PM

I think:
 Johannesburg waste management entity, Pikitup, is warning the public about a strike by its employees over social media and on the job site.

The government has also warned Pikitup of a general strike.

The union appears to have modified version of a legitimate Pikitup job posting from May 2024.

Pikitup spokesperson but has not yet said there are not only legitimate members but also have the potential to disrupt operations.

Pikitup Managing Director Bheki Nkomo expressed profound concern over the misuse of social media. It is deeply troubling that individuals are using social media to deceive colleagues who are simply looking for employment opportunities. These do not only pose a threat to the entity but also have the potential to disrupt Pikitup's operations. Pikitup will continue to be vigilant in addressing these issues.

The following table details the sentiment and reach of earned media during the review period. While the engagement generated significant savings in media buying costs through AVE, proactive media responses also successfully mitigated the impact of negative coverage.

Sentiment	Items	AVE
Positive	100	3 438 137,41
Negative	142	7 343 129,59
Neutral	150	5 038 225,04
Total	392	15 819 492,04

Although negative media sentiment remained high, it was notably surpassed by neutral coverage. Furthermore, positive media sentiment closely trailed negative mentions in volume. The positive shift was largely driven by favourable Pikitup Inner-City clean-up campaigns, highlighting the success of collaborative efforts with key stakeholders, reflecting a collective effort toward a cleaner city.

Internal Communication

The internal communication period focused on empowering stakeholders with pertinent information to increase productivity and ensure compliance with legislative and policy requirements. Six editions of Piki-News – a number surpassing previous years – were published during the period under review. These editions also served to introduce new staff members and commemorate waste- and environment-related calendar days.



Internal stakeholders were kept abreast of electricity outages in the Braamfontein area, enabling them to plan their work and minimise disruption to productivity.

Customer Relationship Management

Annual query resolution percentage report for 2024/25:

- Percentage achieved: 68%
- Queries logged: 19 195
- Queries resolved: 13 050
- Queries unresolved: 6 145

Annual detailed breakdown of queries for 2024/25:

- Bin requests: 16 280
- Operational queries: 2 867
- Other (billing-related and general): 48

Figure 7: Annual Query Resolution Percentage – 2024/25

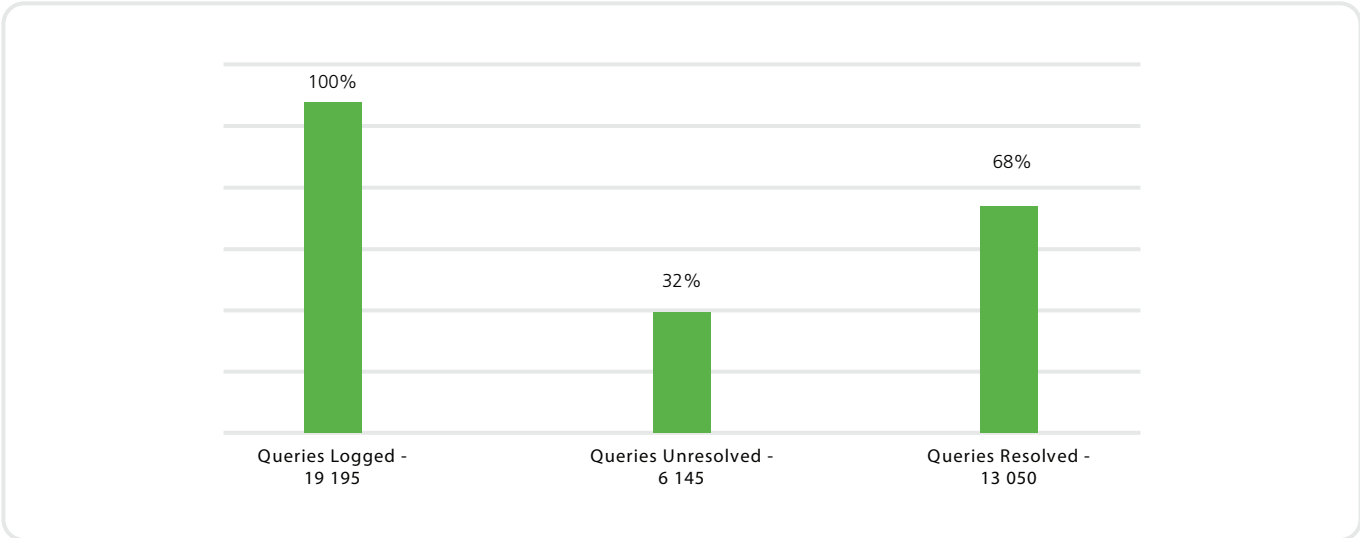


Table 11: Outstanding Depot Queries Targeted for Resolution in 2024/25

Depot	Number of Queries
Inbox: Roodepoort	2 297
Inbox: Zondi	1 600
Inbox: Randburg	1 452
Inbox: Avalon	281
Inbox: Marketing	279
Inbox: Marlboro	70
Inbox: Selby	56
Inbox: Central Camp	30
Inbox: Norwood	23
Inbox: Midrand	19
Inbox: Southdale	18
Inbox: Bulk Business	15
Inbox: Disposal	5
(blank)	
Total	6 145



SECTION 4: RISK MANAGEMENT

Risk Management Roles

The Board of Directors retains overall responsibility for the total process of risk management and has committed Pikitup to an approach that is systematic, structured, consistent, and continuous, aligned with an internationally recognised risk management standard, good practice, and King IV. Risk management must be embedded in, not overlaid upon, every aspect of how Pikitup operates.

Responsibility and accountability for the effective management of business risks rests with managers and staff at all levels – everyone at Pikitup has a role to play in the risk management process. Compliance with this policy and the effectiveness of the company’s risk management processes is monitored by the ARC.

Table 12: Risk Management Guiding Tools Used in the Implementation of Risk Management Principles

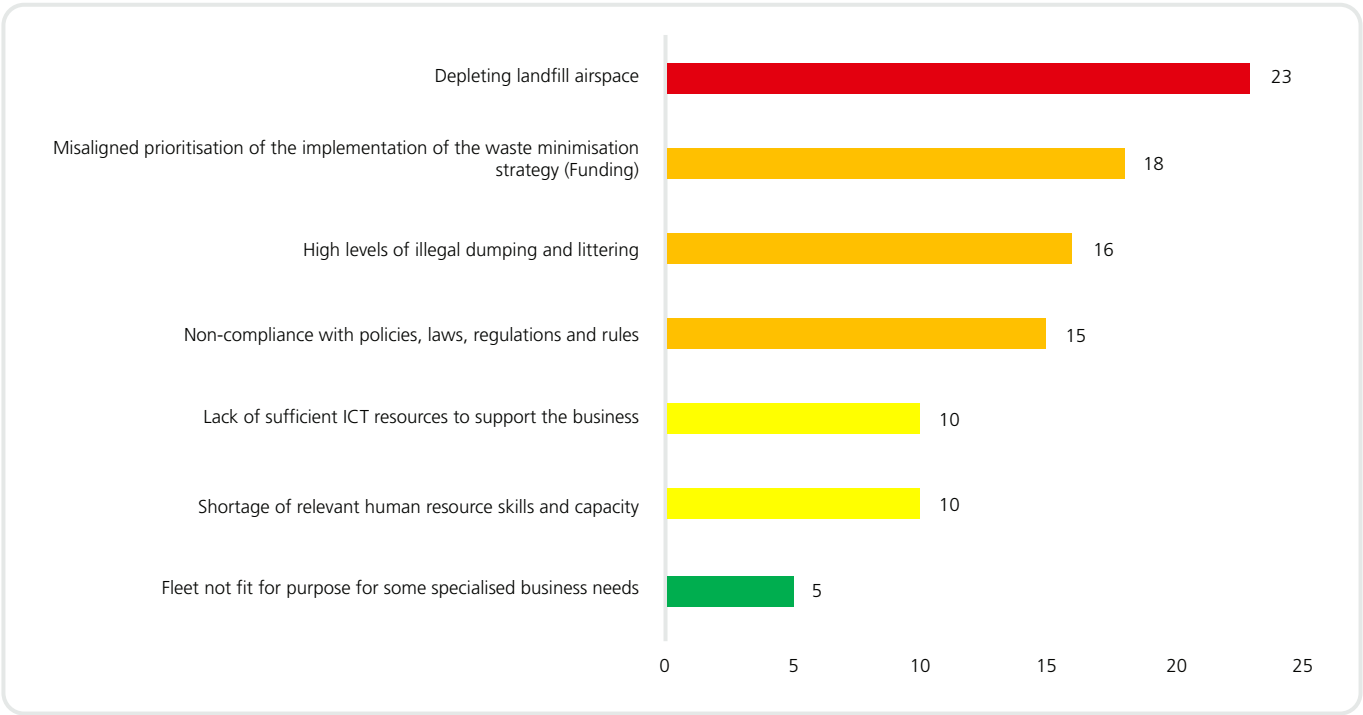
Risk Management Framework	Outlines the foundational risk management principles, processes, and organisational arrangements for designing, implementing, monitoring, communicating, reporting, and reviewing risk management throughout the entity in a consistent and standardised manner.
Risk Management Process	Involves a formal and structured system to identify, assess, treat, and monitor material risks at strategic, business, and operational levels.
Risk Management Plan	Outlines the approved risk management activities to be carried out throughout the entity during a specific financial period. This work plan is approved by the Board. The Risk and Compliance Department champions the implementation of the plan.
Risk Register	Records detailed information about potential risks and serves as an up-to-date database tracking the status of individual risks. Pikitup’s functions and business units maintained 32 risk registers throughout the period under review. Each executive manager, as the risk owner, is responsible for all risk registers within their area of responsibility and has the authority to appoint action owners to take responsibility for the management of specific risks. Risk and Compliance Champions are appointed to assist executive managers in fulfilling their risk management responsibilities. The risk registers are discussed quarterly by the ARC.
Integration of risk management into the entity’s strategy design, execution, and management process	The Board ensures that management is attuned to risks that may impact its strategy, and manages them effectively by incorporating the identification of strategic risks into the annual business strategy session.
Combined Assurance Policy and Framework	Pikitup has adopted a Combined Assurance Model that identifies three levels of defence. The lines of assurance are separated by the level of risk ownership and the independence of assurance. First Level of Defence: Assurance providers at this level include members of the Executive Management Committee, who report to the Accounting Officer, as well as the Board and its committees (management). Second Level of Defence: Assurance providers at this level are internal, non-independent parties that form part of Pikitup management. They provide management support and perform more of a monitoring and advisory function over management activities (Risk Management, Compliance, Safety, Health and Environmental Unit, Legal, Contract Services, and Ethics Office). Third Level of Defence: Assurance providers at this level provide objective assurance and advice to management, being independent of management responsibilities (Internal Audit, AGSA, External Audit, and independent experts).

Annual risk management status update

Table 13: Risk Exposure Levels and Associated Risk Management Approach

Risk Exposure Levels			Action Required
=> ≥ 20 20–25	Very High	Unacceptable	Requires immediate attention from management on implementation of corrective measures
≥ 12 12–19	High	Unacceptable	Implementation of improvements and validation of current controls
≥ 6 6–11	Moderate	Acceptable with caution	Evaluation and improvement of current controls
< 6 0–5	Low	Acceptable	Validation and optimisation of controls

Figure 8: Profile of Top Seven Strategic Risks According to Residual Ratings



Performance of Strategic Risk Mitigations for 2024/25

Table 14: Strategic Risk Mitigation Progress – 2024/25

1. Depleting Landfill Airspace		
Risk Explanation	Risk-Mitigating Actions Implemented in 2024/25	
Because the waste minimisation initiatives such as alternative waste treatments and separation at source have been insufficient to divert adequate volumes from landfill, waste has continued to be disposed of largely untreated. Unless current waste management methods are changed, the City will exhaust its available landfill space. The remaining landfill airspace represents less than two years' capacity.	- Continued with implementing the Landfill Masterplan for the extension and development of landfill cells: Ennerdale Landfill Site extension: additional land transfer process underway Robinson Deep: permission sought from GDARD to extend the landfill site to adjacent land - Partnerships established for disposing of waste at private landfills as emergency overflow capacity - Strengthened the roll-out of S@S in various areas through a co-operative model - Waste minimisation infrastructure: - Optimisation of integrated waste management facilities (42 garden sites) – drop-offs and sorting facilities - Construction of a clean sorting facility at Robinson Deep Landfill Site - Establishment of a sorting facility at Linbro Park - Alternative waste treatment solutions: Biodigesta Project	Long-Term
2. Misaligned Prioritisation of the Implementation of the Waste Minimisation Strategy (Funding)		
Risk Explanation	Risk-Mitigating Actions Implemented in 2024/25	
Pikitup's business model has undergone a paradigm shift in which the organisation is moving from mere disposal of waste, towards prevention, reduction, re-use and recycling, in line with waste legislation and policies. However, levels of financial and infrastructure investment towards waste minimisation have declined. This shift requires additional funding, infrastructure, and specialised skills, as well as a mindset shift among stakeholders – including the community and private sector – and political will.	- Conducted a massive societal awareness campaign on waste minimisation programmes - Performed a business impact analysis - Developed a business case to attract investors - Aligned Pikitup's initiatives with the Shareholder - Articulated the business model to enable proper implementation - Prioritised waste minimisation fleet requirements	Short Term

3. High Levels of Illegal Dumping and Littering

Risk Explanation	Risk-Mitigating Actions Implemented in 2024/25	
The City has experienced a significant increase in illegal dumping spots, characterised by a growing number of illegal dumping spots, increased frequency of cleaning at recurring sites, and rising volumes of illegally dumped waste. The proliferation of informal settlements has compounded the problem, while the disregard of existing by-laws has further contributed to the illegal dumping of waste, littering, and degradation of the environment.	- Continued with waste management by-law enforcement: rolled out by-law officer functions - Finalised the SOP for by-laws business units (by-law officers) - Tracked the finalisation of the waste by-law (illegal dumping) reviews to strengthen relevant provisions - Pursued strategic partnerships and ensured active stakeholder involvement in the eradication of illegal dumping and rehabilitation of illegal dumping spots - Conducted environmental education and awareness programmes for communities on the negative societal, financial, and environmental impacts of littering and illegal dumping, focusing on changing waste-handling behaviour). The War on Waste campaign prioritised clean-ups and clearing of illegal dumping sites.	Short Term

4. Shortage of Relevant Human Resource Skills and Capacity

Risk Explanation	Risk-Mitigating Actions Implemented in 2024/25	
In order to build an efficient, effective, and viable waste management company, Pikitup requires resources in the form of specialised HR skills, sufficient numbers of personnel, and adequate funding to support the evolving practices of waste management.	- Filled critical vacancies and capacitated the business - Placed employees within the new organisational structure - Prioritised relevant skills development and employment equity matters through the Skills Development and Training Committee - Partnered with higher education institutions for further studies - Established an advisory desk - Reviewed HR policies	Short Term

5. Non-Compliance with Policies, Laws, Regulations, and Rules

Risk Explanation	Risk-Mitigating Actions Implemented in 2024/25	
Apart from the standard policies, laws, and regulations with which Pikitup is required to comply, the entity faces difficulty in complying with environmental and pollution laws in the short to medium term due to external factors. These include community non-compliance with by-laws and insufficient funding to modernise systems for compliance.	- Conducted anti-fraud education and awareness programmes - Engaged with SARS regarding the tax clearance certificate - Instituted the Ethics Management Programme - Enhanced compliance with the procurement plan and contract management processes; conducted stakeholder engagements on contract management and supply chain management (SCM) requirements - Implemented landfill infrastructure improvements to address GDARD non-compliance notices and external audit findings	Short to medium term

6. Lack of Sufficient ICT Resources to Support the Business

Risk Explanation	Risk-Mitigating Actions Implemented in 2024/25	
The entity continues to require relevant hardware and software resources to align with its ICT digitisation requirements.	1. Implemented critical projects from the approved ICT Strategy: • Weighbridge system development • Integration of access control between the HIK Vision central system and testing of the system • Appointment of a service provider for the assessment and review of ICT governance • Appointment of a service provider to redesign the network, ICT security, backup and recovery, and telephony infrastructure • Wi-Fi and fibre installation at landfills • Development of an organisational Intranet using SharePoint as a platform for internal communication, information sharing, and data storage, with data accessible without network connectivity	Short Term

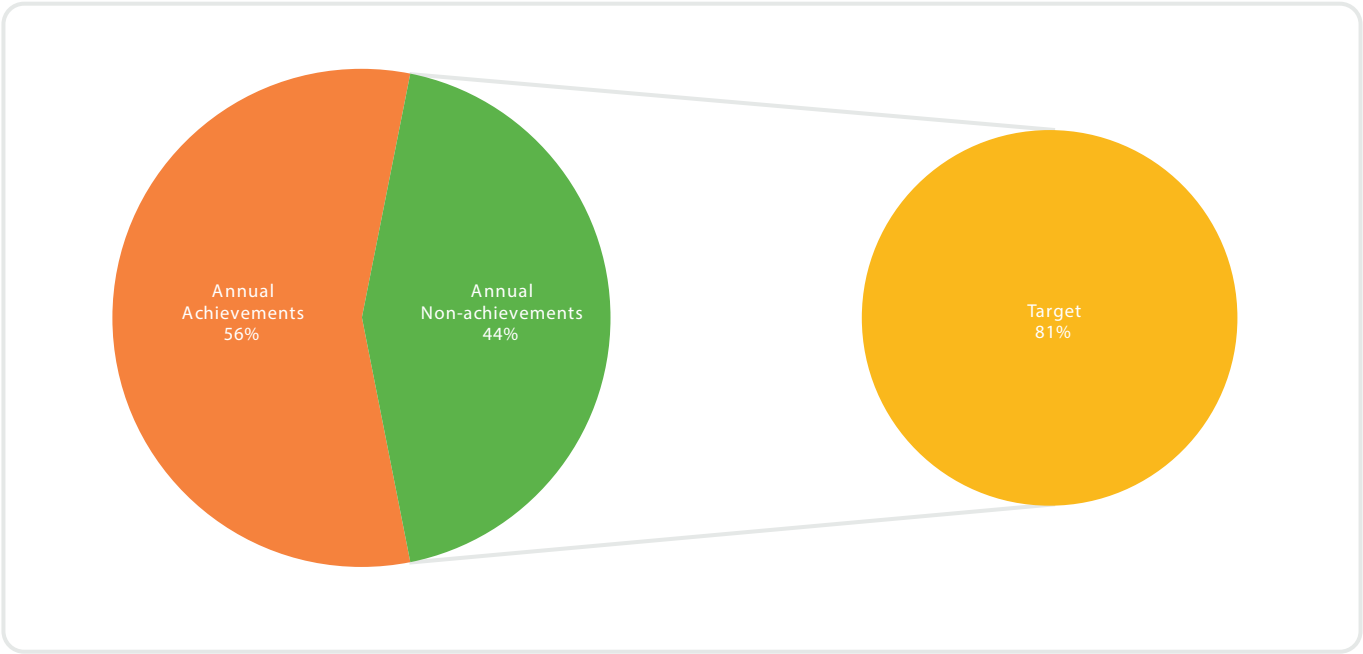


In the 2024/25 financial year, 45 strategic risk mitigating action plans were monitored quarterly, 56% of mitigations were achieved, and 44% remained in the implementation process.

Table 15: Quantitative Progress on Strategic Risk Mitigations – 2024/25

#	Risk	Implemented		In Progress		Total Risk Mitigations
1	Depleting landfill airspace	2	25%	6	75%	8
2	Misaligned prioritisation of the implementation of the Waste Minimisation Strategy (funding)	5	83%	1	17%	6
3	High levels of illegal dumping and littering	5	83%	1	17%	6
4	Shortage of relevant HR skills and capacity	4	57%	3	43%	7
5	Non-compliance with policies, laws, regulations, and rules	4	36%	7	64%	11
6	Lack of sufficient ICT resources to support the business	4	67%	2	33%	6
7	Fleet not fit for purpose for some specialised business needs	1	100%	0	0%	1
Percentage Performance		25	56%	20	44%	45

Figure 9: Risk Mitigation Actions Implemented – 2024/25



Performance of Strategic Risk Mitigations for 2024/25

Corporate Personal Accidents Claims

Employees receive year-round, 24/7 coverages for permanent total disability, temporary partial disability, temporary total disability, and accidental death through a corporate personal accident, subject to the Compensation for Occupational Injuries and Diseases (COID) Act, where applicable. The risk insurance broker is sourced by the CoJ for all CoJ employees.

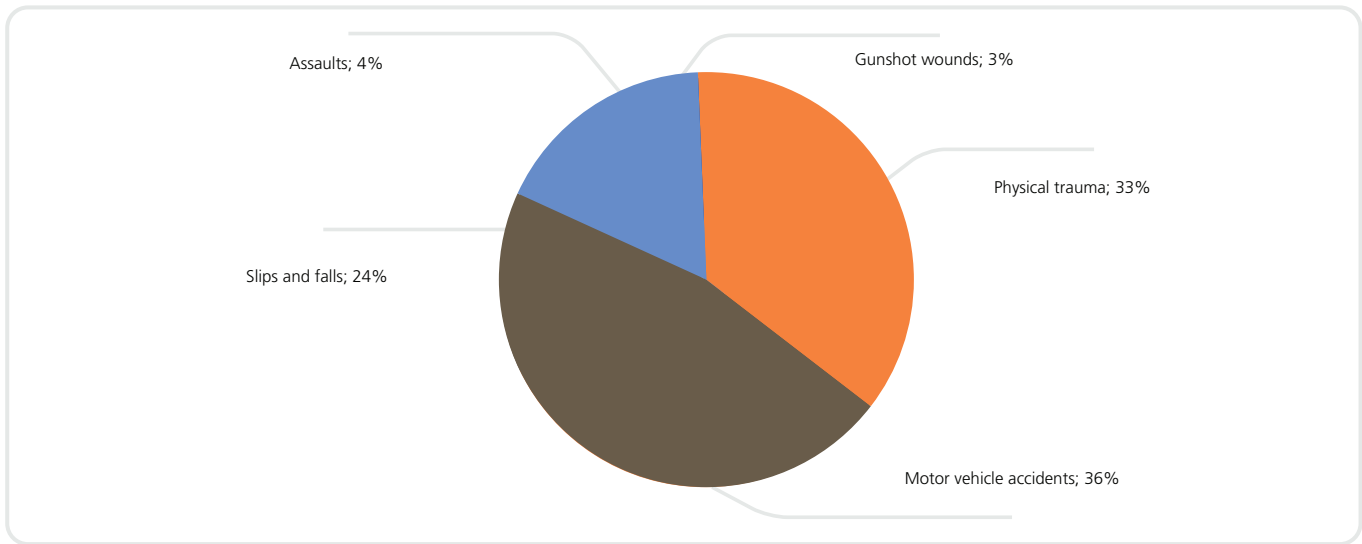
Injury Claims

A total of 110 claims were administered over the past seven financial years, 55% of which have been fully processed and closed, with approximately R1.9 million paid out to employees. In the 2024/25 financial year, 24 new claims were registered and R207 442,20 was paid out to employees relating to claims registered in different years, as shown in Table 16.

Table 16: Summary of Injury Claims Registered and Paid

Financial Year	Total Claims Registered with Broker	Number of Claims Paid and Closed End 2024/25	Number of Claims Active as at End 2024/25	% Of Claims Paid and Closed as at End 2024/25	Total Claims Amount Paid as at End 2024/25
2018/19	14	10	4	71%	R311 997,25
2019/20	16	11	5	69%	R423 860,56
2020/21	14	8	6	57%	R134 954,94
2021/22	16	10	6	63%	R191 678,51
2022/23	4	2	2	50%	R44 362,60
2023/24	22	11	11	50%	R595 646,08
2024/25	24	3	21	13%	R207 442,20
	110	55	55	50%	R1 909 942,14

Figure 10: Causes of Injuries



Accidental Death Claims

Table 17 indicates that 31 accidental death claims were registered over the period 2018/19–2024/25, including six new claims in the 2024/25 financial year. A total of 52% of death claims had been paid out to beneficiaries as at the end of 2024/25, representing a 12 percentage point increase from 40% in 2023/24. New claims are excluded

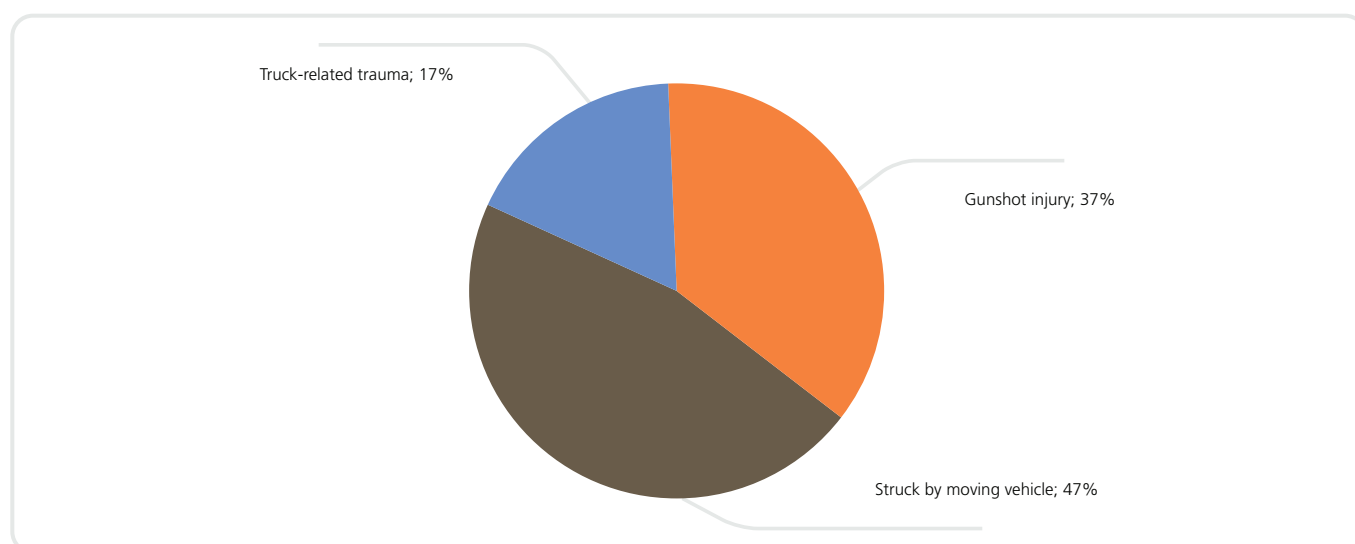
from this calculation, as the processing timeline typically exceeds 18 months, contingent on the submission of required documentation by claimants.

A total of R4.9 million was paid to beneficiaries between 2018/19 and 2024/25, with R1 million disbursed in the 2024/25 financial year for accidental death claims originating in 2022/23 and 2023/24.

Table 17: Accidental Death Claims Registered and Paid – 2024/25

Financial Year of Death Incident	Total Claims Registered with Broker	Claims Paid and Closed	Claims Active with Broker	% of Death Insurance Claims Closed	Total Amount Paid as at End 2024/25
2018/19	6	5	1	83%	R1 932 000,00
2019/20	4	3	1	75%	R1 207 500,00
2020/21	3	1	2	33%	R362 250,00
2021/22	5	1	4	20%	R362 250,00
2022/23	6	2	4	33%	R724 500,00
2023/24	1	1	0	100%	R362 250,00
Total Claims	25	13	12	52%	R0,00
2024/25	6	0	6	0%	R0,00
Total Claims End June 2025	31	13	18	42%	R4 950 750,00

Figure 11: Causes of Accidental Deaths



Ethics Management

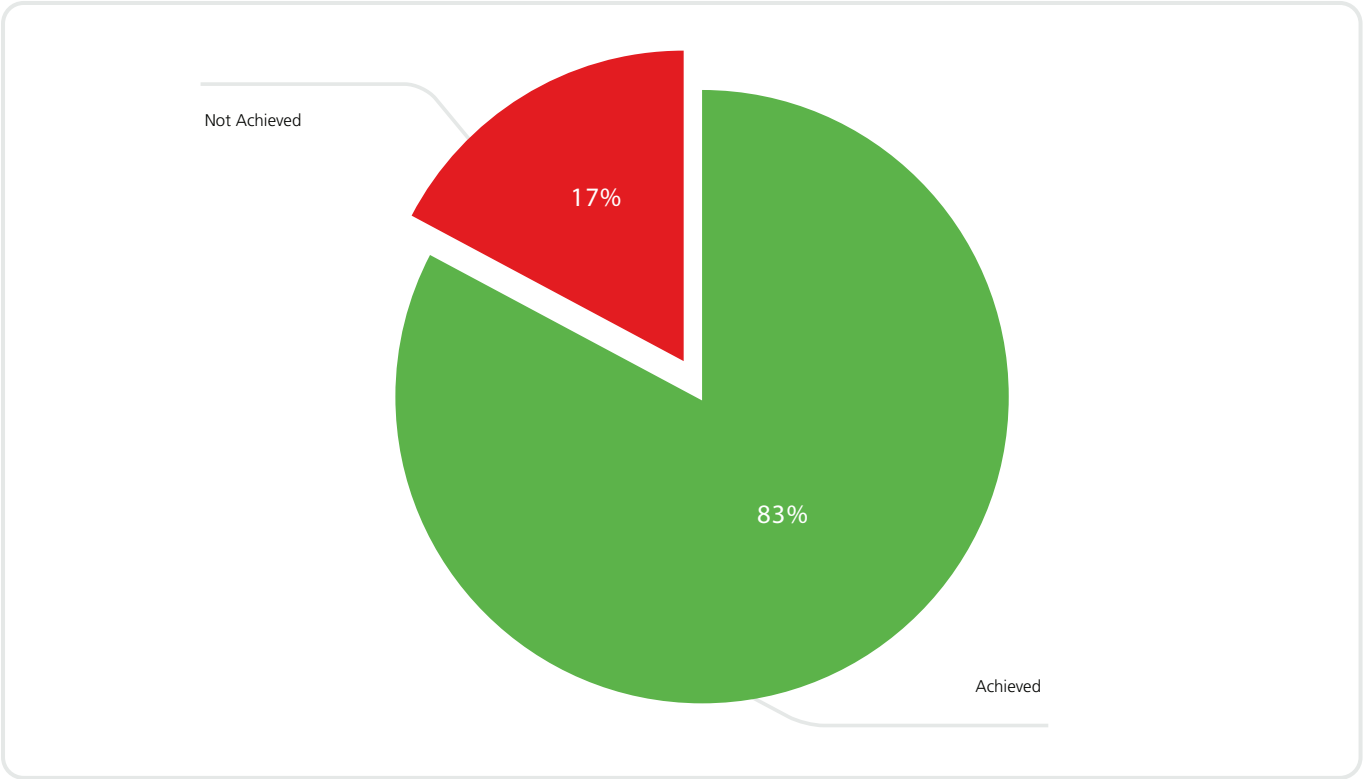
Ethics remains a foundational pillar of Pikitup’s management approach, guiding responsible decision-making and upholding a culture of integrity across all levels of the organisation. Ethical practices are embedded into operational processes using a risk-based approach, ensuring alignment with strategic objectives, legal compliance, and organisational expectations. This approach enables the organisation to identify, assess, and prioritise potential ethical risks, allowing management to implement targeted controls and preventive measures.

During the 2024/25 financial year, the Pikitup Ethics Office played a pivotal role in promoting ethical awareness among employees. Through ongoing communication and training,

staff were reminded of the organisation’s core values and the Code of Conduct, which outline the minimum standards of behaviour expected in the workplace. These efforts were aimed at mitigating misconduct and highlighting its potential financial impact on the organisation, while also promoting a culture of integrity, accountability, and ethical responsibility throughout the workforce.

Under the Ethics Management Programme Plan, Pikitup successfully achieved 83% of its planned ethics-related activities. This proactive approach has contributed to enhanced employee morale and strengthened accountability, and has reinforced Pikitup’s reputation as a values-driven organisation.

Figure 12: Completion Rate of Ethics-Related Activities – 2024/25



2024/25 Ethics Management Highlights:

- 100% declaration of financial interests by Pikitup employees and directors as prescribed by the Code of Conduct for Municipal Employees, as contained in Schedule 2 of the MSA.
- Pikitup policies reviewed and updated.
- Reduction of UIFW expenditure by more than 34%

Ethics Management Strategy focus areas

Pikitup's strategic focal areas to address ethical culture, behavioural risks, and ethics management are based on high-risk areas, as established in the ethics risk assessment:

- **Leadership Buy-in and Commitment:** Ensure leadership buy-in and continuous support in the establishment of an effective and sustainable ethics management programme.
- **Employee Acknowledgement and Participation:** Ensure employees support the ethics vision and drive to improve ethical behaviour and actions.
- **Promote Ethical Culture – Drafting a Code of Ethics:** Build a strong organisational ethical culture.
- **Alignment of Supply Chain Ethics – External Stakeholders (Third Party/Suppliers) Alignment to Pikitup Ethics Culture:** Ensure all external stakeholders subscribe to the company's ethics policy and culture.

The Ethics Management Strategy and plan are based on high-risk areas established from the ethics risk assessment, and ethics risk register.

Fraud Risk Prevention Plan

As part of the Pikitup's Compliance and Fraud Risk Prevention Programme, it is important to ensure ongoing education and awareness on ethics and Pikitup's values, as these serve as a powerful instrument in setting ethical standards and cultivating an ethical and compliance culture throughout the organisation. Education and awareness programmes for all Pikitup management – senior, middle, and junior – were conducted during the year under review. These programmes are aligned with Pikitup's mission, vision, and values and take into consideration various elements based on, inter alia, external influences, legislation, and regulatory frameworks, underpinned by good corporate governance.

Moreover, it is crucial for Pikitup to remind its management of its stance, which supports and fosters a culture of zero tolerance for the commission or concealment of fraudulent or illegal acts. Allegations of such acts are investigated and pursued to their logical conclusion, including legal action, criminal prosecution, and disciplinary action where warranted. Pikitup further recognises that whistleblowing serves as an early warning system to avert possible risks to the organisation and, as a result, actively encourages whistleblowing for timely corrective action.

Areas of concern:

- Non-compliance with regulatory requirements
- Reduction of UIFW expenditure
- Whistleblowing processes
- Updating the Fraud Register

3C Zero Harm Campaign

Pikitup's target for 2024/25 was:



Culture

Nurture a culture of care and concern through the SHEQ programme. Develop the entire workforce's leadership skills and instil a culture that empowers people to honour their commitment to SHEQ.



Competence and training

Develop health, safety, and environmental training that inspires and empowers employees to work safely – or not at all. Place increased emphasis on occupational health.



Communication

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

Business Continuity Management

The purpose of implementing a Business Continuity Management (BCM) programme is to assist Pikitup in responding effectively to disruptive events. In the event of a material disruption to its critical activities, Pikitup is committed to ensuring the continuity of its operations by:

- Ensuring the safety and well-being of its employees, contractors, suppliers, and stakeholders.
- Protecting the integrity of the environment and the communities in which the organisation operates.
- Minimising the adverse impact of any disruption on Pikitup's operations.
- Ensuring continuity of its critical processes to a predefined, acceptable level.

To achieve this, Pikitup is integrating BCM as an essential part of its day-to-day operations. Executive Management has established the BCM Policy and this Framework to provide the structure within which Pikitup's BCM capability and programme are designed and built. Pikitup has a fully established Business Continuity Programme in place, which serves to mitigate the impact of any service delivery disruptions or events. This is in line with the Risk Management Framework and the Business Plan, which outline the entity's risk management activities for the ensuing year and are subject to preparation and Board approval annually.

SECTION 5: ANTI-CORRUPTION AND FRAUD INVESTIGATION

The approved Internal Audit Plan for the 2024/25 financial year includes investigations of UIFW expenditure outstanding as of 30 June 2022. The entity plans to conduct and complete these investigations during the 2025/26 financial year, in accordance with the approved Internal Audit Plan.

In accordance with Principle 1 of King IV, the governing body is responsible for the governance of ethics within the organisation. Pikitup's ethics are underpinned by its values. Some of the actions to address and reduce UIFW expenditure are listed below:

The focus has been on introducing measures to reduce irregular expenditure by 75% and to eliminate fruitless and wasteful expenditure by 100%. Consequently, Pikitup has, in compliance with the MFMA Circular 111 for municipalities, developed a strategy and plans to reduce and prevent UIFW expenditure:

On 15 December 2021, the Pikitup Executive Committee (EXCO) endorsed a UIFW Strategy and Implementation Plan, and on 13 January 2022, the ARC approved the plan. The Strategy is premised on three elements:

- Supporting the municipal public account committees and municipal councils to fulfil their legislative responsibilities in terms of Section 32(2)(b) of the MFMA to reduce instances of UIFW expenditure
- Introducing preventive controls to address further and future non-compliance with legislative prescripts
- Implementing consequence management to ensure that strong ethical, accountable, and transparent financial governance and institutional arrangements are embedded in all municipalities and municipal entities.

The following preventive controls were developed and are currently in place:

- Supply chain (procurement) and contracts management checklist
- Consequence management checklist
- Management of creditors' payments
- UIFW reduction KPI for officials delegated with financial management responsibilities in terms of sections 79, 82, and 106 of the MFMA
- An investigation plan developed by Internal Audit to clear the UIFW backlog, which was approved by the ARC

In addition, the following contract management controls are planned for implementation in 2025/26:

- Inclusion of KPIs on contract management
- Notifying user departments 12 months prior to contract expiry where services are to be continued
- Escalation to the Accounting Officer to effect consequence management in cases where no steps have been taken towards initiating a new tender

UIFW was reduced by 30.7% as of 30 June 2025.



SECTION 6: INFORMATION AND COMMUNICATION TECHNOLOGY GOVERNANCE

Executive Summary

During the financial year, the Department finalised the ICT Strategy, Governance Framework, Policy, and Charter, creating a solid foundation for accountability and service alignment. Internally developed platforms such as the PikOp system and CoJ Central Service Delivery app were fully scoped, tested, and partially deployed; the full rollout is pending licensing and end-user readiness.

In addition, Wi-Fi infrastructure was completed across all depots except the Marie Louis site, which remains affected by vandalism and lack of physical ICT foundations. The Weighbridge System was finalised for deployment at Ennerdale; however, it awaits hardware readiness from external service providers. The Department also scoped advanced technology pilots such as drone-based monitoring and preventive fleet maintenance systems, which are expected to improve responsiveness, visibility, and operational control.

Strategic Projects Completed

Weighbridge Management System:

- Software development fully completed
- Infrastructure deployed at Marie Louis
- Installation completed at Ennerdale depot
- Deployment delayed at some sites due to weighbridge hardware issues

PikOps Application:

- Internal development completed using Microsoft platforms
- Awaiting software licensing

Service Delivery Platform:

- Customisation and deployment completed

ICT Strategy and Governance:

- ICT Strategy completed and aligned to Department of Public Service and Administration (DPSA)
- ICT Governance Framework completed and approved.
- ICT charter developed and approved.
- ICT Policy finalised and approved.

WiFi Deployment:

- Infrastructure for WiFi installed at all depots and landfill sites
- WiFi fully configured and operational, ensuring stable connectivity across all depots and landfill sites

Disaster Recovery as a Service:

- Fully installed and configured
- Training provided to ICT team

Disaster Recovery as a Service:

- Fully installed and configured
- Training provided to ICT team

Disaster Recovery as a Service:

- Installed and configured

Drone Project (Waste Management):

- Orthomosaic imaging and landfill aerial data captured at Marie Louis
- Three drone flights conducted

PikOps Application:

- Internal development completed using Microsoft platforms
- Awaiting software licensing

Service Delivery Improvements

- SharePoint adoption increased to 20%
- Self-service transaction rate improved to 40%
- Improved ICT network uptime to 97%
- Network latency reduced to 23 milliseconds

Risk Management Improvements

- Zero cybersecurity incidents reported
- All critical vulnerabilities remediated
- Mimecast and CSIR services implemented for advanced security
- 68% of staff completed cybersecurity training
- Information security awareness training rolled out to improve user-level risk mitigation

Infrastructure and System Performance

- **System Availability:** Improved from 80% in Q1 to 97% by Q4
- **Cloud Resource Optimisation:** Increased from 65% to 79%
- **Service Desk:** First-call resolution improved
- **Mean Time to Resolution:** Improved across quarters

Service Desk Performance

The ICT service desk has demonstrated consistent performance throughout the year. Calls logged by end users across various categories such as desktop computing, business systems, connectivity, and telephony were attended to and resolved within expected service timelines. The escalation procedures worked effectively, and most issues were resolved at first contact. Change requests and incident resolutions have met or exceeded service delivery standards, contributing to improved user satisfaction and ICT service credibility.

Service Desk Performance

The ICT service desk has demonstrated consistent performance throughout the year. Calls logged by end users across various categories such as desktop computing, business systems, connectivity, and telephony were attended to and resolved within expected service timelines. The escalation procedures worked effectively, and most issues were resolved at first contact. Change requests and incident resolutions have met or exceeded service delivery standards, contributing to improved user satisfaction and ICT service credibility.

Resource Management

- **Staff Utilisation:** 100%
- **New Onboardings:** None.
- **Technical Certification:** Increased from 20% to 30%
- **Skills Gaps Identified:** IoT, data analytics, ICT governance
- **ICT Team:** Remains understaffed; only four technicians support entire organisation

Technology and Innovation Roadmap

- **Mobile Applications:** Internal and public-facing versions in development
- **RFID Bin Tracking System:** In planning
- **Fleet Management and Preventive Maintenance:** Design phase
- **Business Intelligence Dashboards:** Scoped for HR, fleet, and landfill
- **E-Signature Solution:** Training completed
- **Website Redesign:** In SCM process

Risk Management and Security

- Zero critical/high-risk vulnerabilities
- Zero-trust architecture implemented
- Anti-phishing measures active
- VPN protected with two-factor authentication
- Firewall, Active Directory, and malware policies regularly reviewed.
- Information security awareness training implemented across the organisation.

Governance and Compliance

- COBIT and ITIL maturity levels: 2.5 (Target: 4.0).
- ICT governance framework and charter completed and approved.
- ICT policy approved and aligned with DPSA and CoJ standards.
- ICT Strategy finalised and approved.
- Alignment with DPSA and CoJ standards underway.

Challenges and Recommendations

Challenges:

- Infrastructure vandalism (Marie Louis weighbridge).
- Staffing shortages.
- Budget limitations for hardware refresh.
- Low ICT literacy among users.

Recommendations:

- Fill critical vacancies and grow internal capacity.
- Expand cybersecurity training.
- Secure funding to complete ICT Strategy rollout.
- Enhance user training for digital platform adoption (e.g. SharePoint).
- Improve coordination with external service providers.



SECTION 7: COMPLIANCE WITH LAWS AND REGULATIONS

Background

Regulatory compliance risk governance and management practices are guided by the Generally Accepted Compliance Practice Framework (2024). The comprehensive Pikitup Compliance Universe was updated and approved; it is aligned to the CoJ's Compliance Universe. Out of a total regulatory universe of 47, Pikitup has prioritised 26 core legislative requirements for monitoring and quarterly reporting.

The Pikitup Operational Annual Compliance Monitoring Plan applies to all Pikitup business units and employees.

Pikitup compliance level of the stated compliance monitoring activities in the financial year of 2024–2025 is at 93%, as reflected below.

Figure 13: Pikitup Regulatory Compliance Status – 2024/25

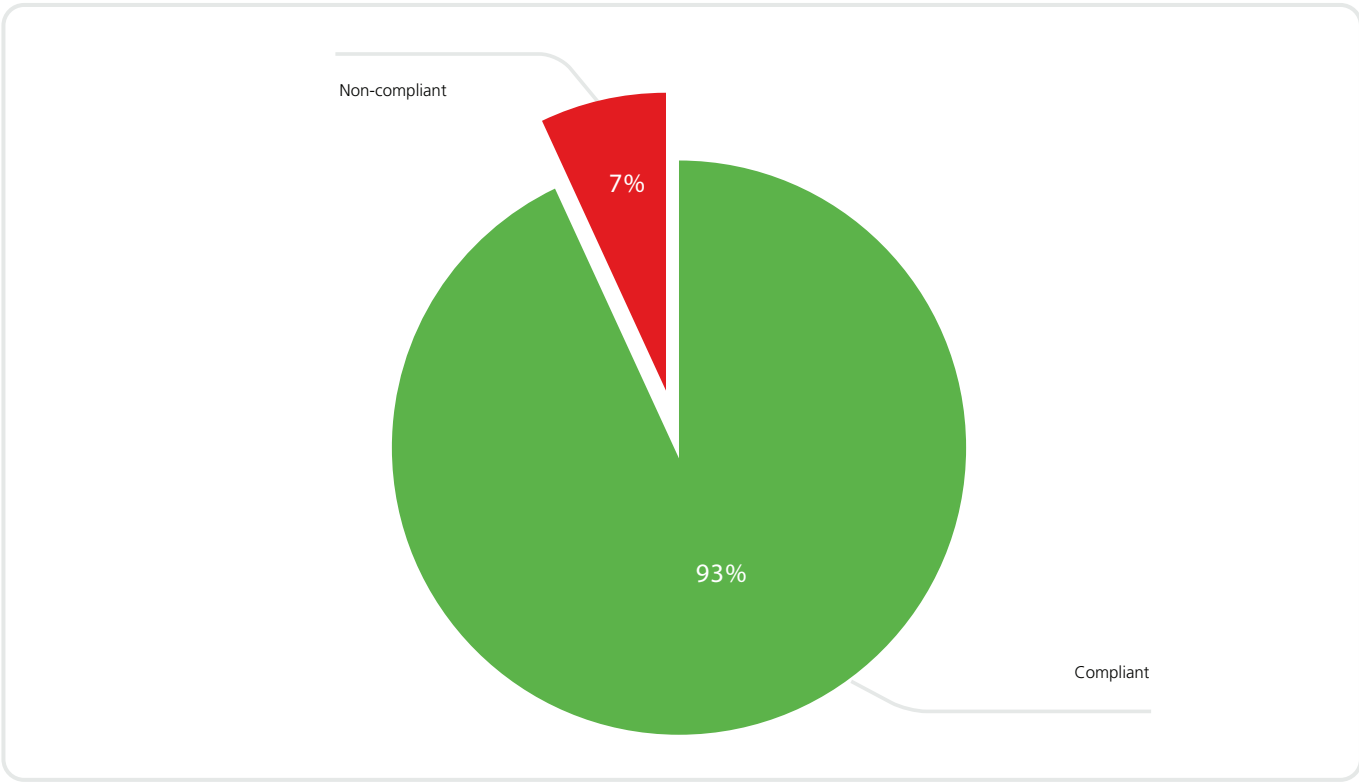


Table 18: Comparative Analysis of Statutory Compliance and Trends

#	2023/24	2024/25	2024/25	Trend Analysis
1	Tax compliance	Not in good standing	Good standing: Compliant	↑
2	Legislative compliance	24 of 27 = 89%	25 of 27 = 93%	↑
3	Legislative non-compliance	3 of 27 = 11%	2 of 27 = 7%	↓
4	Average compliance rate	89%	94%	↑
5	Details of non-compliance	NEWMA	NEWMA = 70%	↑
		Section 65 of MFMA = 60%	Section 65 of MFMA = 27%	↓
		MFMA Circular 90 = non-compliant	-	Compliant

Compliance Highlights

- All six service level standards were consistently achieved throughout the 2024/25 quarters, reflecting the organisation's ongoing commitment to service delivery and adherence to its mandate from the CoJ.
- All policies and SOPs scheduled for review were successfully reviewed and updated in accordance with the requirements of the MFMA and King IV.
- Pikitup's Employment Equity (EE) Plan has been approved in accordance with the provisions of the Employment Equity Act.
- Historical UIFW expenditure was reduced by more than 92%, as per the suggested incremental targets in respect of the irregular, fruitless and wasteful outcome indicators over the 2019–2024 Medium-Term Strategic Framework period (see page 53 of the MFMA UIFW Reduction Strategy).
- A 76% reduction of UIFW expenditure was achieved. This represents a consistent, significant improvement.
- The Code of Conduct for Municipal Employees, as contained within Schedule 2 of the Municipal Systems Act No 32 of 2000, legislates the declaration of interest by all employees at the beginning of each financial year. The organisation achieved 100% compliance for both employees and directors over conservative years, demonstrating a steadfast commitment to regulatory adherence.
- Pikitup is tax compliant in line with MFMA Circular 90: MFMA Act. No. 56 of 2003.

Key Non-Compliance Issues

The landfill compliance audit by GDARD resulted in several findings. While these findings remain unresolved, remedial projects are currently underway, with an overall completion rate of 70%.

Table 19: Compliance-Related Active Landfill Site Projects and Milestones Achieved as at 30 June 2025

#	Project Description	2024/25 Milestone Achieved	Comments as of 30 June 2025
1	Goudkoppies Landfill Site: Phase 1 construction of a reinforced concrete boundary wall	100%	The project is 100% completed and was handed over to the End-user Department on 30 October 2024.
2	Robinson Deep Landfill Site: Upgrading and rehabilitation of a leachate pond	89%	The project was 89% completed in December 2024. Currently, the pond is overflowing and has been unsuitable for activities since 6 January 2025. The geosynthetic clay liner was damaged when the dam overflowed and needs to be replaced.
3	Robinson Deep Landfill Site: Construction of a sorting facility for co-operatives	92%	The physical construction progress on site is 92% complete.
4	Robinson Deep Landfill Site: Construction of a reinforced concrete boundary wall	30%	The physical construction progress on site is 31% complete. The contractor faced financial challenges at the project's outset but is now recovering.
5	Linbro Park: Construction of ablution facilities for workers, upgrading entrance, upgrading of boundary wall, construction of sorting facility for declaimers, and installing high mast light	15%	The site was handed over to the contractor on 13 January 2025. Construction has commenced and is 15% complete.
6	Ennerdale Landfill Site: Rezoning and subdivision of new additional site, relocation of the access road, rerouting existing stormwater line, construction of new office precinct, boundary wall, waste pickers recycling shed, and new cell development	18%	The site was handed over to the contractor on 13 January 2025. Construction has commenced and is 18% complete.
7	Non-compliance with payment of supplier invoices within 30 days	41%	Out of 5 053 supplier invoices, only 2 062 were paid within 30 days.

Safety, Health, Environment, and Quality

Strategic approach

Safety, Health, Environmental and Quality (SHEQ) management remains a cornerstone and business driver within Pikitup. As the organisation's local footprint continues to grow alongside its client base, SHEQ standards continue to develop and improve. Management integrates SHEQ into every stage of waste management operations – from initial client engagement and concept development through to the execution of activities – culminating in the day-to-day management of risks on job sites, together with teams and client representatives.

Pikitup's journey towards ISO certification will give its clients peace of mind, assuring them that they are working with a company that offers world-class quality, safety, and efficiency. The organisation is in the process of obtaining ISO certification for the following standards:

- ISO 14001 – 2015 (Environmental Management)
- ISO 45001 – 2018 (Occupational Health and Safety)
- ISO 9001 – 2015 (Quality Management)
- ISO 9001, ISO 45001, and ISO 14001 (Integrated SHEQ)

SHEQ Background

Compliance with SHEQ legislation is paramount considering the nature of Pikitup's business and operational sites. The Occupational Health and Safety Act 85 of 1993 (OHSA), and the National Environmental Management Act 107 of 1998 (NEMA) guide compliance.

Pikitup develops processes that move the programme in a structured cycle, as guided by ISO, which is a Plan–Do–Check–Act cycle.

2024/25 SHEQ Highlights:

- Health and safety statutory training – first aid, safety representatives, incident investigators, and fire fighters. – was conducted during the period under review.
- Emergency response preparedness training was conducted at all Pikitup facilities.
- The ISO 9001, 14001, and 45001 frameworks were established, with the implementation and certification process now underway.
- A culture of care and concern was instilled through the SHEQ programme.
- Leadership skills across the entire workforce were developed, fostering a culture that empowers people to honour their commitment to SHEQ.
- An environmental spill kit was made available at all facilities to facilitate a quick response in the event of a spill.
- As a waste management company, the 3 Rs – Reduce, Reuse, and Recycle – into its organisational culture and continually seeks ways to apply them in its day-to-day activities as part of its Waste Minimisation Strategy.

Occupational Hygiene Survey

- Section 8(2)(d) of OHSA requires every employer to identify health and safety hazards associated with work performed in their workplace and to establish precautionary measures to protect employee health and safety. Pikitup is currently sourcing an Approved Inspection Authority (AIA) to conduct statutory hygiene surveys for all sites. The SCM process is currently at the bid evaluation stage. On completion, the AIA will provide a comprehensive report detailing Pikitup's occupational hygiene exposure.



Figure 14: Occupational Hygiene Framework



Figure 15: Occupational Hygiene at a Glance



Environmental management

Waste disposal at Pikitup's landfill operations presents several environmental, social, and economic challenges. Potential hazards include fatal accidents, infrastructure damage, and local environment pollution, along with harmful air emissions, dust, odour, vermin, and noise pollution. Pikitup must consequently operate its landfills in an environmentally responsible manner in compliance with its permits, licences, and associated regulatory prescripts.

Establishment of Landfill Management Forum

To ensure an integrated approach to the management of landfills, the entity established a Landfill Management Forum with the following objectives:

- Providing a forum for internal stakeholders to evaluate and make recommendations regarding general operations at landfills, environmental monitoring, and compliance

- Providing focused and relevant support, including assessing the status of general waste disposal systems and advising on measures to close statutory and internal audit findings
- Facilitating public input through environmental management committees to incorporate external stakeholder views on landfill operations.

The forum achieved the following:

- Developing a reporting template for daily operational requirements and permit conditions (internal and GDARD).
- Implementing a Compliance Audit Tracker to address external and internal audit findings

Security Risk Management

Pikitup's Security Risk Management (SRM) function remains a critical enabler of business continuity, employee safety, and asset protection. The unit's hybrid security approach and continuous risk surveillance safeguard operations across high-risk environments, such as landfills, depots, integrated waste management facilities, and community-facing infrastructure.

Hybrid security model

A total of 275 in-house security officers are deployed across Pikitup's Head Office, depots, landfills, garden sites, integrated waste management facilities, and buyback centres. These officers are assigned based on a risk-based deployment matrix and are responsible for:

- Access control
- Site patrolling and surveillance
- Incident prevention and detection
- Security administration and reporting

While the internal security capacity effectively addresses general risk exposure, the absence of specialised outsourced security providers presents an operational gap for high-risk, intelligence-driven threats. A targeted procurement process is currently addressing this gap.

In-house security officers work 12-hour rotational shifts on a 24-hour basis, with four days on duty and four days of rest, 365 days per year. These shifts are categorised as Shifts A, B, C, and D. Security officers are posted to cover all four Pikitup security clusters and the 66 Pikitup facilities located across all seven regions of the City.

Security surveys and risk assessments

The SRM conducted 19 security surveys and 12 risk assessments across priority and high-risk Pikitup sites, including landfills, depots, garden sites, and the corporate office. Each assessment produced a site-specific security management plan, tailored to local threats, infrastructure vulnerabilities, and compliance gaps. These assessments form the baseline for a more agile, intelligence-led security framework and support the design of integrated, technology-enhanced protection strategies.

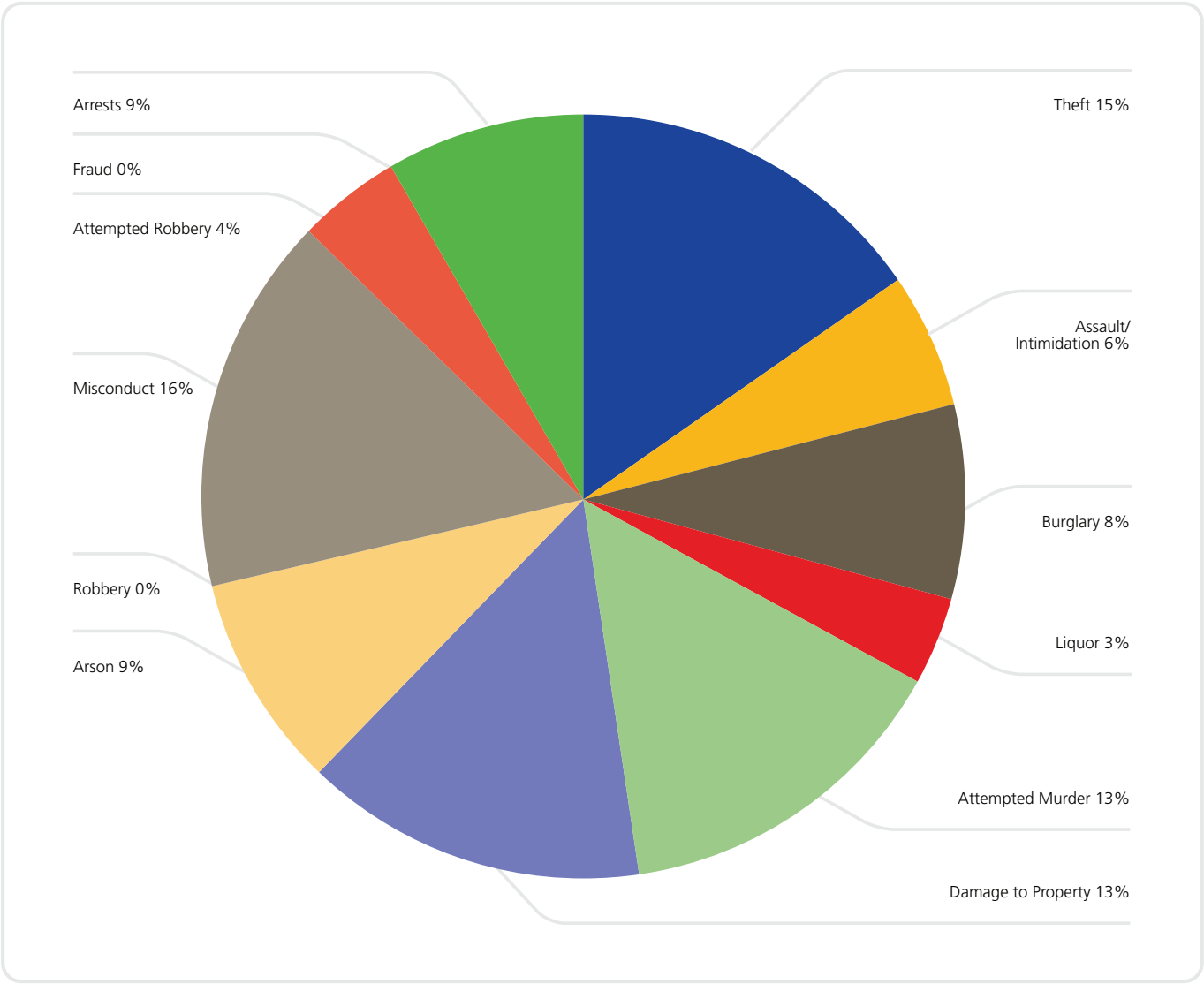
Security management 2024/25 performance highlights
Security Risk Management performance reflected a significant improvement during the financial year. The unit intercepts numerous criminal attempts targeting Pikitup sites and assets, including sites under construction. Security personnel effected several arrests, with suspects subsequently handed over to the SAPS.

Other key achievements include:

- Improving its security function to meet the minimum-security standards required by the security matrix.
- Increasing security visibility and surveillance through the digital security project and the permanent deployment of specialised security services at critical sites.
- Investigating and resolving all reported cases, resulting in a positive conviction rate.
- Implementing security interventions to resolve conflicts and establishing management and reclaimer committees at specific landfills.
- Rolling out digital security to five landfill sites (Ennerdale, Goudkoppies, Linbro Park, Marie Louise, and Robinson Deep) and four depots (Avalon, Central Camp, Marlboro, and Midrand).
- Enforcing appropriate sanctions against in-house guards involved in misconduct.

The stringent security measures suppressed incidents to an acceptable rate, with the exception of three arson cases at the Ennerdale and Robinson Deep landfills and the Panorama Compost Plant.

Figure 16: Breakdown of Security Incidents – 2024/25



Security investigations

A total of 53 security-related incidents were reported in the financial year, with one confirmed arrest. These incidents included:

A noted decline in security incidents compared to previous periods indicates increased site stability and improved surveillance. However, high-impact events, such as shootings and attempted murders, underscore the need for escalated risk mitigation measures.

Specialised security tender

The procurement process for a new tender for outsourced

specialised security services is underway, and in process, having passed the Demand Management Committee and the Bid Specification Committee. The tender will be advertised following sign-off by the Accounting Officer. The process is anticipated to conclude in October 2025. This tender will enable the deployment of expert resources for advanced risk management, surveillance technology, and tactical response capabilities.

Other Security Services

During the period under review, the security team participated in additional security services, as outlined in Table 20.

Table 20: Breakdown of Additional Security Services Conducted by the Security Team

Period	Work Stoppages and Protest Action	Observations and Intelligence-Driven Operations	Close Protection Services	Multi-Disciplinary Operations	Disciplinary Cases Finalised	MRO: Site Patrols and Monitoring	Meeting with Internal Stakeholders	Meetings with External Stakeholders
Q1	5	5	9	3	0	0	10	7
Q2								
Q3	8	11	12	11	7	205	21	8
Q4	12	12	10	6	7	246	13	15
TOTAL	25	28	31	20	14	451	43	30



SECTION 8: CORPORATE GOVERNANCE STATEMENT

The Board provides ethical leadership and is responsible for the establishment and maintenance of an ethical culture, premised on sound governance values in line with the King IV Report. This responsibility extends to ensuring that the Board conducts Pikitup's affairs in accordance with good governance principles by embedding recommended practices in its governance structures, systems, processes, and procedures. The Board recognises and is fully committed to the principles of openness, integrity, and accountability advocated by the King IV Report and has a firm understanding that the realisation of these principles begins with embedding a culture of compliance with laws, regulations, and policies. This process provides the Shareholder and other stakeholders with the assurance that the entity is being ethically managed according to prudently determined risk parameters, in compliance with generally accepted corporate practices.

Ongoing steps are taken to align business practices with King IV recommendations, with the Board monitoring progress as these improvements are embedded in its corporate governance practices. During the period under review, Pikitup strengthened its risk management reviews and reporting, and compliance assessments were conducted in terms of the Companies Act, the MSA, and the MFMA. The entity's approach to corporate governance is integrated into its standards, policies, practices, and procedures, which support its efforts to apply King IV Principles 1 to 16. Its

application of the King IV Principles seeks to ensure that Pikitup acts in the best interests of its Shareholder and stakeholders, that it complies with applicable laws and regulations, and that it can adapt quickly to changes in the regulatory environment.

- Safety, health, environmental, and quality risks that could affect its employees, the communities in which Pikitup operates, contractors on its premises, and the environment were identified. The following four priority risks will be the focus for the 2025/26 financial year:
- **Visible Leadership:** Ensuring that all levels of leaders within the organisation are committed to the SHEQ performance that the organisation seeks to achieve
- **Line Management:** Ensuring that line managers have competencies, capacity, and line of sight
- **Change Management:** Helping the business understand the implications of all changes made in the organisation and how those changes affect SHEQ performance.
- **Management of Contractors and Suppliers:** Conducting a SHEQ review of contractors' activities and assessing key areas requiring attention for incident reductions and legal compliance.

Pikitup's SHEQ performance during the period under review is summarised below, alongside commitments for the 2025/26 financial year.



Quality Management

Pikitup is establishing a quality management system designed to ensure that its services are delivered in accordance with international, national, and organisational standards. Its quality management system will require regular auditing of processes and services, by ensuring that quality assurance is built into each process. Quality systems require understanding and commitment by all employees, particularly management. These are monitored during audits and formalised during regular management review meetings.

Safety Management

SHEQ performance is managed through continual improvement, and all Pikitup employees take responsibility for safety. Safety is a prerequisite for any business the entity undertakes, and safe behaviour is a condition of continued employment.

Environmental Management

Pikitup pledges its commitment to environmental compliance in all its activities. To achieve compliance with the National Environmental Management Act, the National Environmental Management: Waste Act, and related legislation, the entity was committed to the following in 2024/25:

- Reviewing environmental permits and licences to ensure compliance
- Working towards ISO 14001 certification for the organisation
- Communicating within the business the trends and

analysis, as well as proposed corrective actions for external ISO 14001 audit findings

- Updating Pikitup's internal legal compliance checklists based on findings from external legal compliance audits and changes in legislation
- Reviewing environmental authorisations (records of decisions) issued based on environmental impact assessments and their conditions to ensure compliance.
-
- Pikitup recognises the significant impact of its landfill operations on neighbouring communities and is committed to implementing sustainable business practices within a culture of responsible environmental stewardship. This commitment is expressed in Pikitup's strategic and operational planning.

Pikitup's environmental management objectives include:

- Legislative and regulatory compliance
- Internal and external stakeholder engagement
- Sustainability reporting
- Assessment and evaluation of sustainability initiatives

Waste Management

Pikitup aims to develop, implement, and maintain an integrated waste management system that conforms to sustainable practices and minimises environmental impact. This system will take a holistic and integrated planning approach to waste management that includes technology solutions, operational procedures, and human resources. This approach applies to management, employees, subcontractors, and business partners associated with Pikitup, as well as to all operational activities that may

contribute to pollution or degradation of the environment. “Reduce, Reuse, Recycle” is the central theme for managing waste. The entity is committed to efficient, legally and ethically compliant, innovative, and sustainable waste management. Waste-to-landfill tonnage remained above target this year due to delays in implementing the waste diversion programme; the entity intends to remedy this in the new financial year through allocated budget and strategic partnerships.

Occupational Health

Pikitup’s aim is to ensure that occupational health is integrated into all its management systems and core operations to prevent occupational illnesses. It also focuses on minimising major risks in its workplaces. Occupational health is managed by the internal Occupational Health and Wellness Department.

Customer Safety

Health and safety standards in refuse collection were enhanced through the provision of sanitisers in all collection vehicles. A strict limit was placed on the number of customers collecting bins from depots and social distancing protocols were applied.

Material Issues

Material issues are reviewed annually by the Board and management. All relevant internal, industry, and macroeconomic factors are evaluated. The needs, expectations, and concerns of stakeholder groups that are most likely to influence Pikitup’s ability to create sustainable value – notably customers, suppliers, regulators, staff, and the Shareholder – are central to determining material issues.

Following the review for the 2023/24 financial year, the directors confirm that the current material issues remain relevant.

Operating Environment

Low economic growth, poor economic conditions, and the resultant weak consumer sentiment continue to damage South Africa’s business environment, further compounded by the lasting effects of COVID-19. Consumer disposable income has been further eroded by rising utility prices, higher health insurance costs, and increasing general living costs.



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

Regulation

The highly regulated nature of waste and landfill management imposes significant compliance costs that Pikitup has limited ability to pass the cost on to customers or users of its services.

Risks	Opportunities
- Waste management legislative and regulatory changes pose a risk to Pikitup's operations, given the limited technical and financial resources available to implement them. - Non-compliance with current and emerging legislation may result in monetary sanctions.	- Ensure Pikitup is operating efficiently to maintain financial sustainability. - Continue management engagement with the shareholder on adequate funding for waste-related legislation and regulation compliance. - Partner with the private sector to reduce regulatory burden.

Information Technology

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

Risks	Opportunities
- Confidential customer or sensitive internal data may be compromised as a result of an undetected data security breach or cyber-attack. - IT systems and architecture are no longer appropriate in an environment of ever-increasing scale where real-time information is now required. - The inability to restore business operations and IT systems in the event of a disaster poses a significant operational risk. - Power outages affect Pikitup's ability to operate billing and HR systems, potentially resulting in financial losses and labour unrest.	- Improved information security practices and enhanced compliance can be achieved through Pikitup's increased online presence. - The planned implementation of new IT systems presents opportunities for improved system efficiencies and cost savings. - Migration to a cloud-based business continuity plan will strengthen operational resilience. - Continued operations during power outages can be ensured by connecting to other government agency generators where available, supplemented by backup power through uninterruptible power solutions.

Sustainability Risks

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

Waste

Dumping of medical waste at Pikitup's closed landfill sites is illegal, as it presents a significant health and reputational risk for the entity. The impact of plastics on the environment, as well as the emissions associated with their production, has been raised as a major concern globally. The entity is aware that the solution to plastics and plastic waste must be a joint effort across all sectors and is implementing a more robust waste separation and recycling programme in the new financial year.

Data Security and Privacy

The entity is committed to ensuring the confidentiality of its customers' personal information and the security of sensitive internal data. Processes and controls are in place to identify and address data security risks and governance to protect against data being compromised because of unauthorised access through the Pikitup website or an information security breach. The entity's focus is on ensuring compliance with the Protection of Personal Information Act 4 of 2013 (POPIA). Key security and compliance risks have been assessed and largely remediated through continuous security testing.

Key Project to Improve Governance in 2024/25

The entity is in the process of implementing an integrated ISO system, with the aim obtaining certification before the end of 2024/25 financial year. The three standards of focus are ISO 14001: environmental management standards, ISO 9001: quality management standards, and ISO 45001: health and safety standards. The ISO standards are process-based and encourage a risk-based approach in every aspect of the organisation.



The benefits of implementing the integrated ISO system are:



CHAPTER THREE: SERVICE DELIVERY PERFORMANCE



Stakeholders Impacted:
Shareholder, Customers

Strategic Goal 2: Realisation of Value
Throughout the Waste Value Chain
Strategic Goal 3: Effective Delivery of
Waste Services

SECTION 1: HIGHLIGHTS AND ACHIEVEMENTS

This section presents the highlights, demonstrating Pikitup's critical success in achieving its core mandate.

Fleet and Infrastructure Investment

New assets acquired are directly improving productivity measured in tonnes collected per trip – and expanding geographic coverage. The high volume of waste managed, coupled with the removal of illegal dumping sites, indicates effective baseline service delivery, despite resource constraints. Achieving 100% on all service standards is a powerful message of operational competence.

Highlights:

- Forty new cage trucks distributed across depots, increasing collection areas and tonnages
- 1 691 489 tonnes of waste disposed; 36 705 tonnes of illegally dumped waste removed; 233 066 handled by garden sites
- 100% achievement of all six service delivery standards

Education and awareness

The following highlights demonstrate that investment in education and awareness represents not an expense but a critical long-term investment in waste minimisation. Education is the most effective tool for reducing waste at source, as lowering the amount of waste generated directly reduces long-term collection and disposal costs. The training provided to EPWP staff and Urban Rangers creates a force multiplier, embedding waste management knowledge within communities.

Highlights:

- 42 151 learners from 161 schools educated on waste management
- 1 752 community members and 1 934 Urban Rangers/EPWP workers trained in environmental awareness, recycling, and upcycling

Community Impact

Partnering with community units builds trust and facilitates smoother operations in challenging areas. Public employment programmes make a significant contribution to social impact, aligning with the CoJ's broader socio-economic goals and addressing community unemployment that can contribute to waste-related challenges. These initiatives are crucial for maintaining Pikitup's social license to operate.

Highlights:

- 52 accelerated service programmes conducted with the Community Relations Unit
- 6 651 job opportunities created through the EPWP Programme

Waste Containment Infrastructure

Reliable waste containment infrastructure is fundamental to service delivery. Providing bins reduces spillage, scatter caused by animals, and the prevalence of bag tearing, which directly contributes to cleaner streets and reduces the time that crews spend on collection.

Highlights:

- 29 743 bins delivered

Reduced Discomfort, Fatigue, and Injury Rate

Pikitup achieved a DFIR of 0.9, indicating excellence in operational risk management. This lower rate signifies fewer incidents across its sites, which directly translates into avoiding significant potential costs – including regulatory fines, injury liabilities, and reputational damage – that could impact on the organisation’s public trust.



SECTION 2: SERVICE DELIVERY CHALLENGES

Pikitup has the challenge of providing a municipal service and adhering to public-body regulations, legislation, and procurement requirements, including the MFMA, the MSA, and the Preferential Procurement Policy. It is also required to adhere to any additional funding requirements, such as the Municipal Infrastructure Grant funding scheme, while seeking to act competitively as a private-sector, profit-making entity. This has been shown to present challenges in providing a service that is both value-driven and self-sustaining.

The biggest challenge and opportunity facing Pikitup is the rapidly diminishing landfill airspace problem at its four remaining landfill sites. Compounding this is the ever-increasing volume of waste being generated in the region and the rising costs associated with managing it in the interests of the health and safety of residents and the environment. A further consideration in terms of proposed solutions and interventions is the impact of socio-economic factors such as unemployment and poverty alleviation. Table 21 provides a detailed assessment of each of the key areas service delivery challenges in 2024/25.

Table 21: Operational Challenges and Planned Interventions

Challenge	Gaps	Intervention
Waste services	- Pikitup is a labour-intensive operational logistics entity. - Domestic refuse collection rounds (RCR) – a core function of Pikitup – involve the collection of general waste from more than 908 000 households weekly. - The increase in the expenditure budget is mainly related to fleet costs. - The entity has a high reliance on vehicles, and with the current fleet that has passed its useful lifespan, costs are set to rise. - The budget for staff, fleet, and non-cash/other items constitutes 87% of the total budget. - Street cleaning is a labour-intensive activity, with 57% of the workforce (2 964 street cleaners) being allocated to this service, which amounts to R664m for salaries and allowances. - Load shedding remains an ongoing concern. - An ageing workforce presents a significant constraint on operational continuity.	Productivity and efficiency - Implement recommendations from the optimisation study, including depot boundary realignment and resources alignment using a ward-by-ward phased approach. - Introduce a community upliftment programme for SMMEs - Implement a five-year full maintenance lease (FML) fleet plan to replace ageing vehicles and reduce maintenance costs. - Align newly procured vehicles to the new business model (split compactors and varied sizes). - Roll out the recycling of street furniture with a fleet that matches collection methodologies. - Increase staff productivity of staff through performance management. - Re-introduce a biometric systems to manage productivity. - Review SOPs aligned to new methodologies. - Conduct time and motion studies to improve efficiency. - Conclude an essential services agreement and align structure and supervision in line with essential service requirements. - Present service excellence awards. Inner City - Standardise the Inner City shift system across other CBD areas to reduce overtime and optimise fleet use. - Refurbish underground bins and introduce recycling bins. - Establish partnership with CIDs, and the Inner-City Forum. - Purchase mechanical sweepers. - Formalise reclaimer integration – trash to cash.

Challenge	Gaps	Intervention
Fleet	During the past three financial years, the City has not completed a tender process to procure specialised vehicles for Pikitup in the following categories • Three-year FML • Three-year outright purchase of specialised vehicles	Productivity and efficiency • Utilise the current ad hoc vehicle hire contract (commenced 1 November 2022) to maintain market-related rates and improve on previous contract terms. • Optimise vehicles hire through hourly-rate billing, allowing for flexible shift durations of less than eight hours to reduce costs. • Finalise the FML tender process, scheduled for conclusion in early 2024/25, to further reduce long-term fleet expenditures. • Discontinue landfill operations of the Pikitup fleet (on average landfill-related fleet costs contribute between 7% and 11% of the overall fleet cost). • Implement preventive maintenance and driver training. • Submit a feasibility report on the centralisation of workshops to reduce logistics and travel-related costs. • Align fleet configuration with specific activity and operational requirements. • Maximise the utility of currently owned fleet assets.
Illegal dumping	• Illegal dumping is not a core Pikitup activity but remains a major operational burden. Rapid population growth has increased waste volumes through backyard dwellings, informal settlements, hijacked buildings and subdivisions in affluent suburbs.	• Implement ward plans including “adopt-a-spot” initiatives, once-off clean-ups, and bulky waste collection. • Deploy street prefects to monitor high-risk areas and deter illegal dumping. • Formalise partnerships with other departments and entities, such as JMPD, Urban Inspectors, Environmental Health, and ward committees to coordinate enforcement. • Strengthen by-law enforcement and environmental education programmes to drive long-term community behavioural change. • Maintain ongoing collaborations with SAPS and JCPZ.
Disposal of waste	• Pikitup will run out of landfill airspace within the next few years, which will create a waste disposal crisis within the City. Therefore, for the short to medium term, landfill airspace is required for waste disposal. • The use of privately-owned landfills comes at a premium cost, and this will increase as the City becomes more dependent on external landfills.	• Construct new landfill cells at Ennerdale, Marie Louise, and Robinson Deep landfill sites to secure short-to-medium-term airspace. • Investigating the construction of a WtE plant via a PPP to divert 500 000 tonnes of waste per annum. • Secure multi-year budget provisions for future WtE gate fees and long-term facility sustainability. • Address GDARD non-compliance findings through the Capital Expenditure (Capex) budget, focusing on water treatment ponds, boundary walls, and recycling facility upgrades.
Waste minimisation	• Pikitup provides S@S services in some areas within the City because of the limited budget available for this service. • A limited budget exists to roll out S@S city-wide, which requires the introduction of an additional collection round or appointment of contractors. The participation rate of the community is low, and more marketing is required.	• Divert green waste and builders’ rubble from landfills to optimise landfill airspace. • Procure shredders, chippers, and crushers for drop-off centres to facilitate the processing and diversion of green waste and rubble. • Upgrade garden sites into integrated waste management facilities, equipped to receive and sort recyclables. • Optimise the waste minimisation budget to mitigate the impact of the 2024/25 budget rebasing and funding reductions. • Formalise waste pickers through the co-operative model to drive future waste diversion, despite current 2024/25 budget limitations

SECTION 3: RESPONSE TO STRATEGIC DIRECTION

Table 22: Linkages between Pikitup's SDBIP Performance against CoJ Priorities and GDS 2040

Strategic Drivers	Key Pikitup Programmes
GDS OUTCOMES: Outcome 1: Improved quality of life and development-driven resilience for all Outcome 3: An inclusive, job-intensive, resilient, competitive, and smart economy that harnesses the potential of citizens MAYORAL PRIORITIES: • Safe City • Job opportunity and creation • Sustained economic growth • Green economy PIKITUP GOALS: Goal 2: Realisation of Value throughout the waste value chain Goal 4: Partnerships involving stakeholders	A. Expanded Public Works Programme (EPWP) The EPWP is deployed in certain areas to deliver waste removal services. In these areas, Pikitup operates in conjunction with co-operatives, with SMMEs and co-operatives playing a significant role in the implementation of the programme. During the 2024/25 financial year, 6 651 jobs were created through the EPWP. B. Co-operatives in the Separation at Source Programme Pikitup's dry waste S@S programme operates on a co-operative model. This community-based model comprises a number of co-operatives that offer a dry recyclables collection and sorting service to residents, with assistance from Pikitup. Where applicable, Pikitup provides individual co-operatives with a sorting facility, a collection truck and driver, and recycling bags. The S@S programme comprises 21 co-operatives, supported by and forty (40) cage trucks distributed across the depots. C. Waste Picker Integration The CoJ has recognised the role of waste pickers in waste recovery and recycling and their contribution to the overall waste minimisation value chain. Consequently, the CoJ resolved to integrate waste pickers into its Waste Management System through various interventions, including the development of a waste picker empowerment project. To date, 558 waste pickers operating at landfill sites have been registered. D. BBBEE and SMME Procurement Pikitup continues to meet its BBBEE and SMME procurement KPI annually, achieving 87% in 2024/25
GDS OUTCOME: Outcome 2: A resilient, liveable, and sustainable urban environment underpinned by smart infrastructure supportive of a low-carbon economy MAYORAL PRIORITIES: • Sustainable service delivery • Infrastructure development and refurbishment PIKITUP GOALS: Goal 1: Integrated waste management, waste prevention, and waste minimisation Goal 3: Effective delivery of waste services	A. Refuse Collection Rounds Over 908 000 households receive basic refuse removal services on a weekly basis. B. Street Cleaning Street cleaning encompasses waste picking and sweeping in high-population density areas, ensuring that Pikitup complies with the required cleanliness levels. A cleanliness level of 2 was achieved for 2024/25, in line with the annual target. C. Illegal Dumping Illegal dumping sites are cleared on a rotational basis, though recurrence remains a persistent challenge. Ongoing educational campaigns are being conducted, and Pikitup engages a number of stakeholder forums to seek the intervention of the JMPD, Environmental Health, and other enforcement agencies in by-law enforcement. A total of 2 176 illegal dumping spots were repeatedly cleaned in 2024/25. D. Waste Services in Informal Settlements The residents in all identified informal settlements are issued with a five-day service, comprising the distribution of bags, waste collection, illegal dumping removal, litter picking, and collection by means of skip bins. The Marlboro, Selby, Randburg, and Midrand depots provide a seven-day service. E. Garden Sites Pikitup operates 42 garden sites where residents may drop off their garden waste and recyclable materials. F. Daily Waste Collection Pikitup collects waste generated by hotels, restaurants, food shops, hospitals, and canteens, which must be collected daily to prevent decomposition and the associated nuisance, environmental, and health risks.

Strategic Drivers

Key Pikitup Programmes

F. Daily Waste Collection

Pikitup collects waste generated by hotels, restaurants, food shops, hospitals, and canteens, which must be collected daily to prevent decomposition and the associated nuisance, environmental, and health risks.

G. Disposal

Pikitup currently operates four landfill sites: Goudkoppies, Marie Louise, Ennerdale, and Robinson Deep.

H. Infrastructure Development

The key Capex projects for the 2024/25 financial years are:

- Marie Louise Landfill Site – improved compliance and alterations
- Robinson Deep Landfill Site – improved compliance, alterations, and cell development
- Goudkoppies Landfill Site – improved compliance and alterations
- Linbro Park Landfill Site – improved compliance and alterations
- Ennerdale Landfill Site – improved compliance, alterations, and cell development

Capital expenditure of 77% was achieved in 2024/25 against an annual target of 95%

GDS OUTCOME:

Outcome 4: A high- performing metropolitan government that proactively contributes to and builds a sustainable, socially inclusive, locally integrated, and globally competitive Gauteng City Region

MAYORAL PRIORITIES:

- Good governance
- Financial sustainability
- Active and engaged citizenry

PIKITUP GOALS:

Goal 5: Building an efficient, effective, and viable waste management company

A. UIFW Reduction

Accumulated UIF expenditure was reduced through the implementation of cost containment measures during the 2024/25 financial year.

A UIFW reduction of 76.6% was achieved in 2024/25.

B. Internal Audit

All planned Internal audits included in the 2024/25 Internal Audit Plan were conducted, achieving 100% completion.

C. Ethics Management

- 100% compliance was achieved on the declaration of financial interests by Pikitup employees.
- All Pikitup policies were reviewed and updated.
- Education and awareness programmes on anti-fraud and anti-corruption were conducted.

Pikitup achieved a compliance level of 93% in 2024/25.

D. Risk Management

Certified risk management workshops were facilitated with all Risk Champions. Risk alignment workshops were conducted at depot level.

E. SHEQ Management

SHEQ standards were further developed and strengthened through the 3Cs Zero Harm Campaign. Pikitup met its target for the reduction of on-duty injuries.

A disabling frequency injury ratio of 0.9 was achieved in 2024/25 against a target of 2.5

F. Business Continuity

Business continuity plans and a Crisis Management Plan were finalised during the year under review.

G. Stakeholder Engagement Platforms

The following stakeholder engagement platforms were developed during the period under review:

- Landfill Management Forum
- Operation Clean Audit Committee
- Quarterly business performance feedback sessions

SECTION 4: SERVICE DELIVERY AND BUDGET IMPLEMENTATION PLAN

Table 23: KPIs and Targets Adjusted during the Mid-Term Review

KPI #	Gaps	Original Business Plan	Adjusted
1	- Percentage of known informal settlements receiving basic removal services 100% target	- Percentage of known informal settlements receiving basic removal services. 90% target.	Yes

Pikitup has 19 SDBIP targets that were tracked for the 2024/25 financial year. Only 15 of the 19 targets were achieved, resulting in a business performance of 79%.

Table 24: Summary Performance for 2024/25

Performance Targets	Achieved/Not Achieved
Annual targets tracked	19
Not achieved	4
Achieved	15
% Performance	79%



Table 25: Performance Summary – 2024/25

Legend:



Target achieved



Target not achieved

KPI No.	Key Performance Area	Key Performance Indicator	Baseline Target 2021/22	2024/25 Annual Target as per SDBIP	2024/25 Actual Performance as per SDBIP	Budget (R'000)	Target Achieved (or not)	Action Plan (where targets were not achieved)	Performance Assessment
1	Effective and efficient delivery of waste management services	Percentage of known informal settlements receiving basic removal services	100%	100%	100%	186 000	Target achieved	N/A	
2		Cleanliness levels city-wide	Level 2	Level 2	Level 2	947 000	Target achieved	N/A	
3		Percentage of households with basic refuse removal services or better	100%	100%	100%	1 674 000	Target achieved	N/A	
4		Clearing of predetermined Illegal dumping spots	85%	85%	90%	91 000	Target achieved	N/A	
5	Integrated waste management, waste prevention, and waste minimisation	% of green waste diverted (cumulative)	25%	3%	3.09%	85 000	Target achieved	N/A	
6		% of dry waste diverted (cumulative)	10%	5%	9.60%	57 000	Target achieved	N/A	

Legend:



Target achieved



Target not achieved

KPI No.	Key Performance Area	Key Performance Indicator	Baseline Target 2021/22	2024/25 Annual Target as per SDBIP	2024/25 Actual Performance as per SDBIP	Budget (R'000)	Target Achieved (or not)	Action Plan (where targets were not achieved)	Performance Assessment
7	Integrated waste management, waste prevention, and waste minimisation (cont.)	% of areas where the separation at source programme is implemented	44%	30%	36%	3 000	Target achieved	N/A	
8	Building an effective and viable waste management company	Cleanliness levels city-wide	91.5%	95%	77%	215 000	Target not achieved	Delays were experienced in SCM processes in establishing a panel of contractors. Contractors withdrew from sites due to non-payment of invoices.	
9		% BBBEE/SMME procurement awards	100%	30%	97%	21 000	Target achieved	N/A	
10		% valid invoices paid within 30 days of invoice date	100%	100%	41%	12 000	Target not achieved	Financial challenges faced by the Shareholder resulted in inadequate cash flow management.	
11		Average % landfill compliance to permit conditions	95%	95%	64.4%	252 000	Target not achieved	Infrastructure backlogs resulted in the degradation of landfill infrastructure, leading to infrastructure-related non-compliance issues at landfill sites.	
12		Audit opinion obtained from AGSA	Unqualified audit with findings	Unqualified audit opinion	Unqualified audit with findings	4 000	Target achieved	N/A	

Legend:



Target achieved



Target not achieved

KPI No.	Key Performance Area	Key Performance Indicator	Baseline Target 2021/22	2024/25 Annual Target as per SDBIP	2024/25 Actual Performance as per SDBIP	Budget (R'000)	Target Achieved (or not)	Action Plan (where targets were not achieved)	Performance Assessment
13	Building an effective and viable waste management company (cont.)	% resolution AGSA findings (cumulative)	91%	90%	92%	443 000	Target achieved	N/A	
14		% resolution Internal Audit findings	88%	90%	94%	221 000	Target achieved	N/A	
15		Reduction of UIFW expenditure (cumulative)	New target	50%	33.7%	10 000	Target not achieved	A non-cash bad debt provision was raised at year end, relating to the unbudgeted PFA for employees on the EPWP, which was extended during the period due to service delivery demands.	
16	Realisation of value through waste management chain	Reduction of injuries on duty (factor)	1.7	2.5	0.9	1 000	Target achieved	N/A	
17		Number of partnership agreements signed	New target	10	11	4 000	Target achieved	N/A	

Legend:



Target achieved



Target not achieved

KPI No.	Key Performance Area	Key Performance Indicator	Baseline Target 2021/22	2024/25 Annual Target as per SDBIP	2024/25 Actual Performance as per SDBIP	Budget (R'000)	Target Achieved (or not)	Action Plan (where targets were not achieved)	Performance Assessment
18	Realisation of value through waste management chain (cont.)	Number of waste pickers reregistered	New target	400	557	0	Target achieved	N/A	
19		Number of job opportunities created	N/A	2 450	6 651	29 000	Target achieved	N/A	



Table 26: Remedial Plan for Underperforming KPIs

Specific Issues Identified	Reasons for Underperformance	Corrective Actions	Responsible Team	Deadline
% capital budget expenditure (cumulative)	- Delays were experienced in SCM processes in establishing a panel of contractors. - Contractors withdrew from sites due to non-payment of invoices.	- Most capital projects are currently in the construction phase, which will improve delivery. - The panel of contractors is being processed through SCM - Engage with the Group CFO to Improve cash flow	CFO and MD	30 June 2025
% of valid invoices paid within 30 days of invoice date	Financial challenges faced by the Shareholder resulted in inadequate cash flow management.	Ongoing engagement with the Group CFO to improve cash flow management is being maintained.	CFO and MD	30 June 2025
Average % landfill compliance to permit conditions	Infrastructure backlogs resulted in the degradation of landfill infrastructure, leading to infrastructure-related non-compliance issues at landfill sites.	- Most landfill site projects are under construction, with several constituting multi-year projects. - Significant Capex investment in the landfill site is planned to ensure the completion of these projects	MD	30 June 2025
Reduction of UIFW expenditure (cumulative)	- A non-cash bad debt provision was raised at year end, relating to an unbudgeted Political Facilitated Agreement (PFA) for EPWP employees. - The EPWP was extended due to service delivery demands	- Participate in the collection initiatives driven by the Shareholder. - Engage the Shareholder on funding the un budgeted PFA.	CFO and MD	30 June 2025



Mitigations

Despite experiencing various challenges during the 2024/25 financial year, mitigations were implemented, as outlined in Table 27.

Table 27: Challenges and Mitigations

Challenge	Highly Affected Areas (Region and Areas)	Original Business Plan
Capital infrastructure service delivery disruption	- Linbro Park Landfill Site, Region E - Marie Louise Landfill Site, Region D - Goudkoppies Landfill Site, Region D	- Engaging with protesting community members - Implementing recovery plans - Managing stakeholder communication (media briefing, social media, depot meetings)
Delayed payment of service providers	All regions	- Engaging contractors on an ongoing basis - Liaising with the CoJ to secure funding for contractor payments - Prioritising capital project payments to mitigate delays in project delivery
Recurring illegal dumping and littering	All regions	- Deploying 60 security officers to monitor illegal dumping infringements - Targeting 100 illegal dumping spots across the City for clearance and conversion in partnership with JCPZ
Depletion of available landfill airspace	All landfills (Region D, F)	- Implementing waste minimisation programmes - Expanding existing landfills (Robinson Deep Landfill Site purchase) - Conducting education and awareness programmes on waste minimisation and recycling
High vacancy rate	All regions	- Filling critical vacancies - Optimising EPWP, co-operatives, and partnerships



SECTION 5: PERFORMANCE AGAINST SERVICE STANDARDS

The CoJ monitors Pikitup’s performance according to the SLS stipulated in the SDA (Municipal Systems Act 81(2)). These SLS are reported monthly and quarterly to the CoJ and the Pikitup Board. All six SLS targets were achieved. Evidence of performance is submitted to the CoJ.

Figure 17: Service Level Standards – 2024/25 Performance

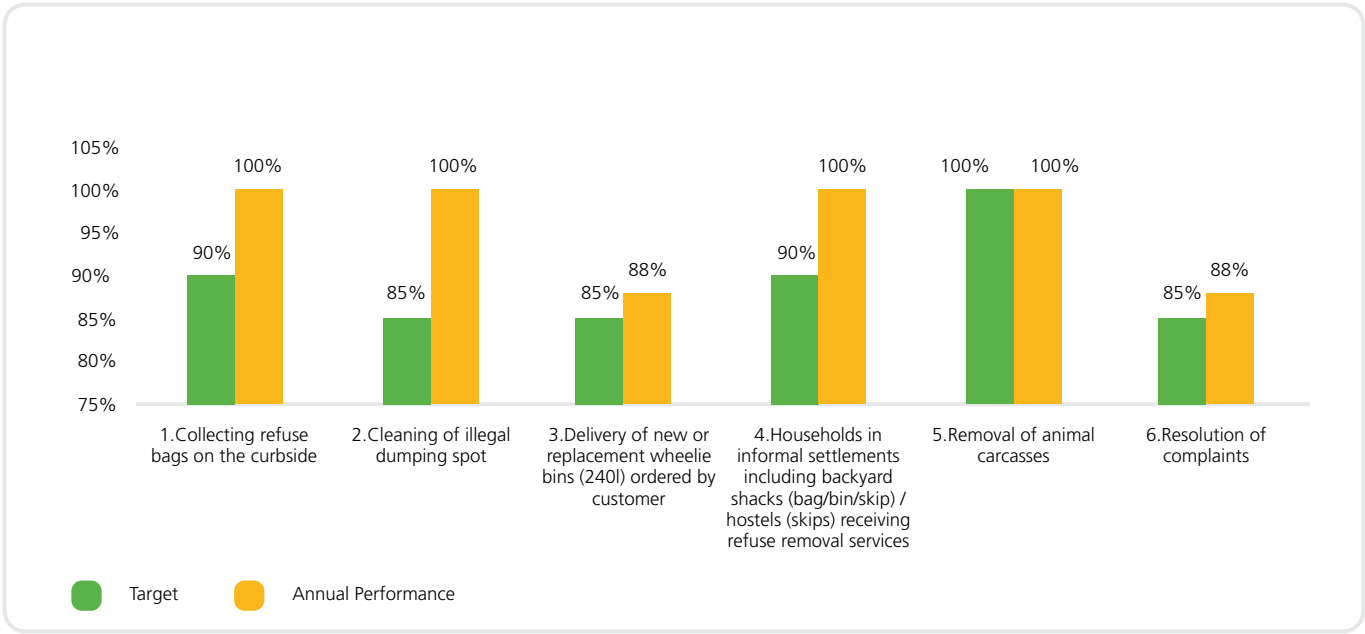


Table 28: Service Delivery Performance – 2024/25

Core Service	SLS Target	Annual Performance 2023/24 FY	Q1 (Consolidation) (July–September 2024)	Q2 (Consolidation) (October–December) 2024	Q3 (Consolidation) (January–March 2025)	Q4 (Consolidation) (April–June 2025)	Annual Performance 2024/25 FY	Variance	Mitigations	Achieved/ Not Achieved
1. Collecting refuse bags on the curbside	90%	98%	100%	100%	100%	100%	100%	N/A	N/A	Achieved
2. Cleaning of a predetermined illegal dumping spot	85%	98%	100%	100%	100%	99%	90%	N/A	N/A	Achieved
3. Delivery of new or replacement wheelie bins (240 L) ordered by the customer	85%	87%	89%	87%	90%	88%	88%	N/A	N/A	Achieved
4. Households in informal settlements, including backyard shacks (bags/bins/skips) and hostels (skips) receiving refuse removal services	90%	100%	100%	100%	100%	100%	100%	N/A	N/A	Achieved
5. Removal of animal carcasses	100%	100%	100%	100%	100%	100%	100%	N/A	N/A	Achieved
6. Resolution of complaints	85%	86%	87%	88%	92%	87%	88%	N/A	N/A	Achieved

SECTION 6: OPERATIONAL PERFORMANCE

Waste Collection Services

Pikitup delivers its waste management operations through 12 depots strategically located across the City’s seven regions, 40 garden sites, and four operational landfill sites. Two landfill sites (Linbro Park and Kya Sands) and two garden sites (Panorama and Fairlands) are closed.

Total Tonnages Collected per Waste Activity

Table 29 and Figure 18 outline the consolidated waste tonnages handled and collected during the 2024/25 financial year⁹

Table 29: Tonnes of Waste Handled and Collected through Pikitup Activities

Activity	Annual Tonnages 2023/24 F/Y	Q1: (Jul–Sep) 2024 Consolidated Tonnages	Q2: (Oct–Dec) 2024 Consolidated Tonnages	Q3: (Jan–Mar) 2025 Consolidated Tonnages	Q4: (Apr–Jun) 2025 Consolidated Tonnages	Annual Tonnages 2024/25 F/Y
Refuse collection	588 435	199 457	198 369	180 824	197 775	776 425
Street cleaning	118 856	58 336	64 548	54 296	55 470	232 650
Illegal dumping	267 752	102 618	97 017	81 533	88 537	369 705
Hostels	20 661	2 447	2 622	1 402	3 635	10 106
Informal settlements	85 823	20 261	17 152	14 168	17 956	69 537
Garden sites	187 425	65 381	63 192	48 200	56 293	233 066
Total	1 268 925	448 500	442 900	380 423	419 666	1 691 489

Figure 18: Total Annual Tonnes Collected per Activity 2024/25

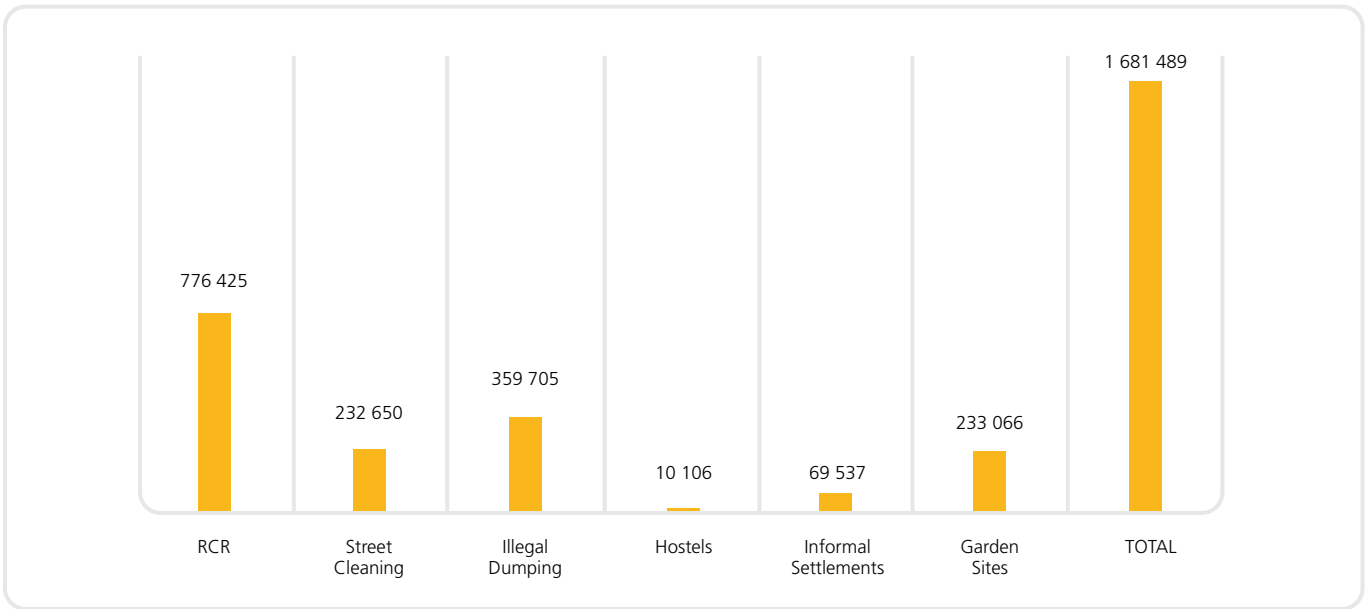
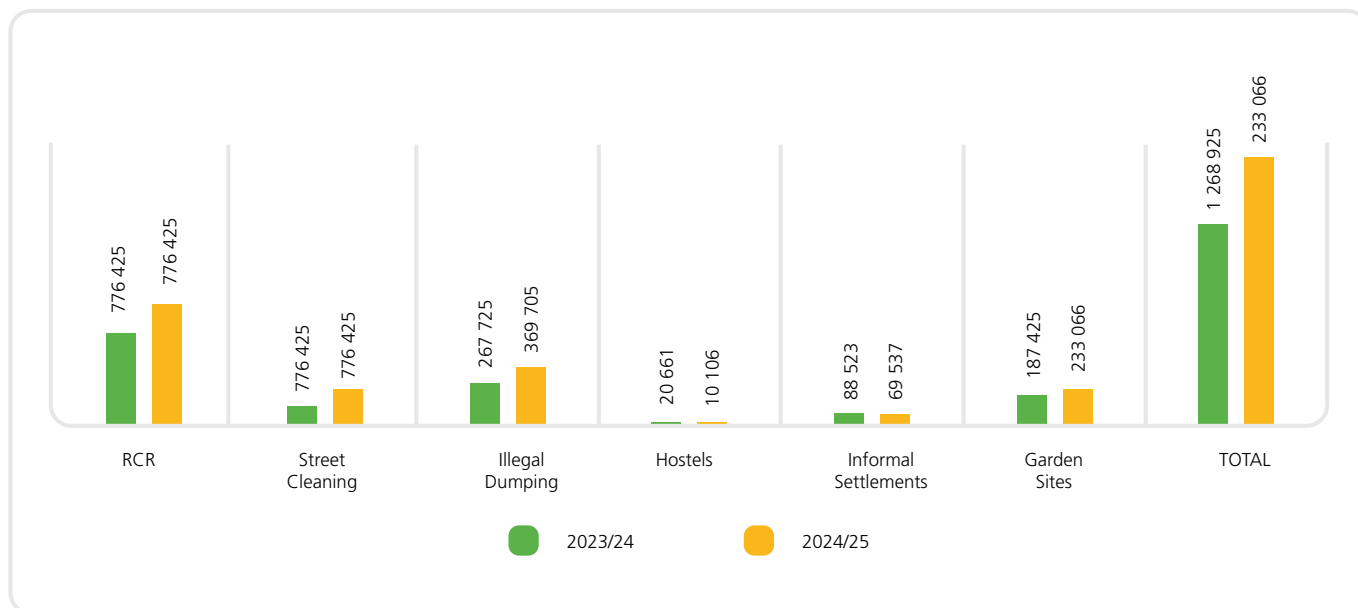


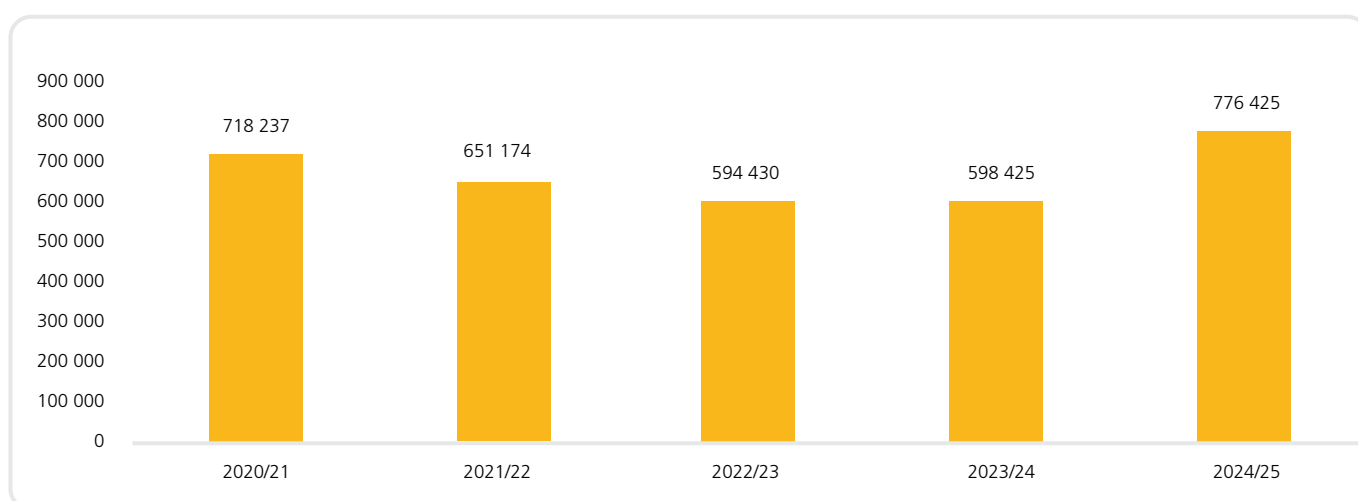
Figure 19: Tonnes Handled per Activity – 2023/24



Refuse Collection Rounds

Figure 20 indicates that 776 425 tons of refuse were collected in the 2024/25 financial year. The average waste collection completion rate was 100% against a target of 100%. The completion time, for all depots on average, was at 15h10. It may be noted that in comparison with previous years, the 2024/25 financial year has collected the highest tonnages due to the new development areas reported in the City of Johannesburg.

Figure 20: Refuse Collection Rounds Tonnes Collected over Five Financial Years



Street Cleaning and Litter Picking

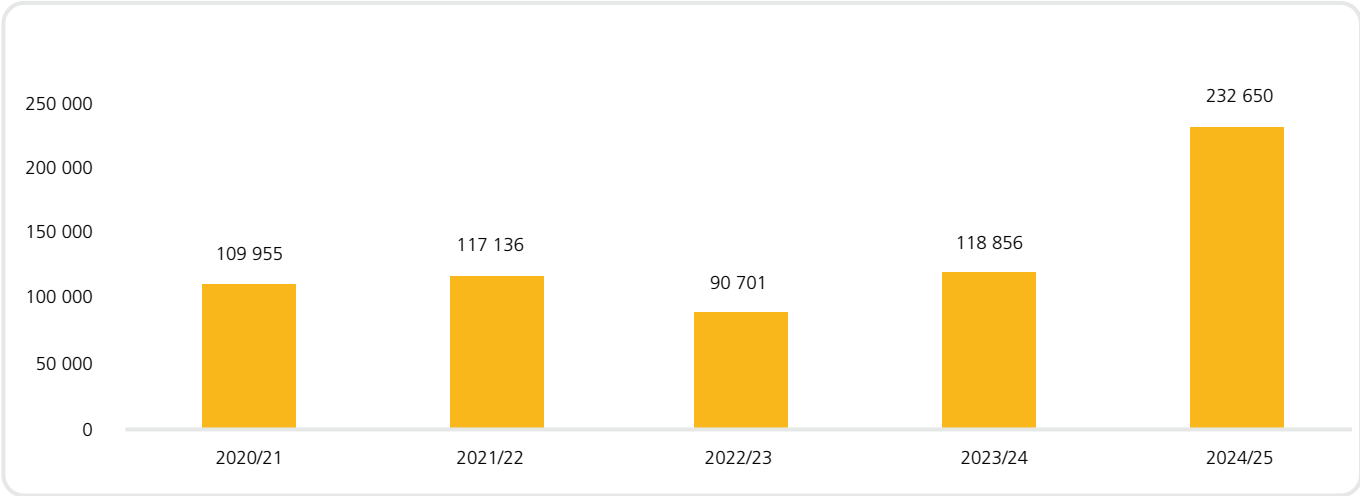
Cleanliness levels city-wide are defined by photometric cleanliness levels adapted from GDARD standards, as outlined in Table 30.

Table 30: GDARD Cleanliness Level Definitions

Level 1	Level 2	Level 3	Level 4	Level 5
No visible litter, dirt, or foreign matter – clean and free of any man-made, discarded, or misplaced material (excluding sand and grit)	Predominantly free of litter and refuse, except for some small items	Sparse littering – no more than 5–10% of the visible surface contains litter. Litter can be collected by means of litter picking	More obvious littering – up to 30% of the visible surface contains litter. Litter can be collected by litter picking; some areas may require the use of a broom	Dense littering – more than 30% of the visible surface contains litter. Whole areas must be swept. The litter generation rate is high and requires urgent attention, (classified as “Very Dirty”)
				

The City comprises four main CBDs: Midrand, Roodepoort, Selby, and Randburg. Pikitup provides street cleaning and litter picking services to all these and other areas, including suburbs and townships. A total of 232 650 tonnes of litter was collected in the 2024/25 financial year, as indicated on Figure 18. Selby, Norwood, and Southdale depots are key service areas within the Inner City, in Region F. Inner City street cleaning activity forms a central part of these depots’ activities. The EPWP assisted in maintaining cleanliness levels and increasing tonnages relative to previous years.

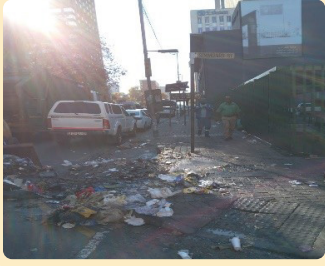
Figure 21: Street Cleaning and Litter Picking Tonnages over the Past Five Financial Years



The cleanliness of predetermined streets is measured using GDARD standards, with ratings ranging from 1 to 5 (where 1 represents the cleanest street and 5 is the dirtiest), as outlined in Table 31. For the 2024/25 financial year, the City achieved a Level 2 cleanliness rating. Examples of street conditions before and after cleaning are illustrated in Table 31.

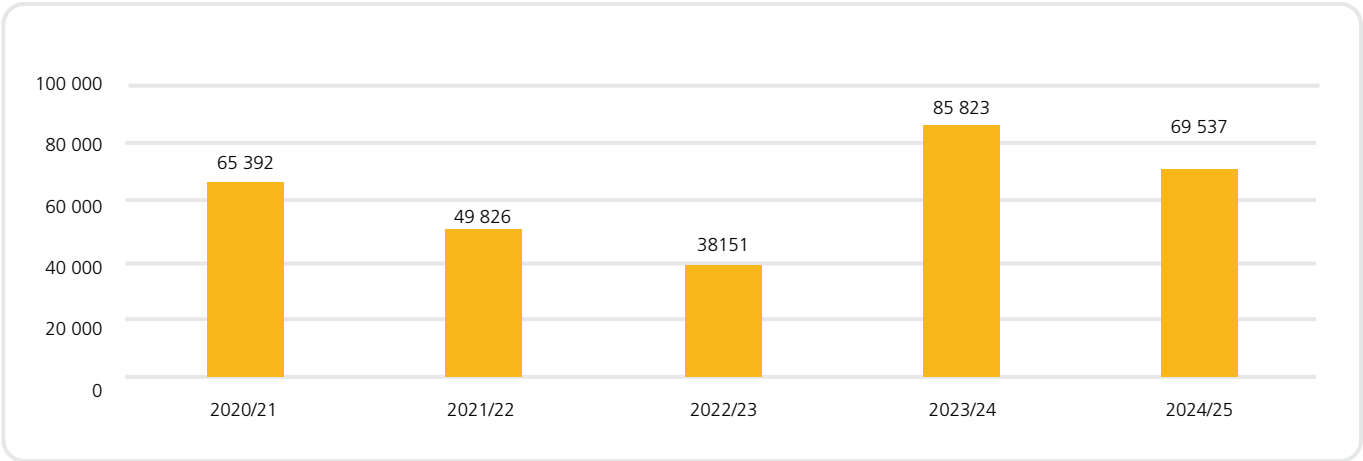


Table 31: Cleanliness Levels

Depot	Street Name	Before	After	Target Level	Achieved Level
Randburg	Braamfischer			Level 2	Level 2
Norwood	Garden/ Louis Botha			Level 2	Level 1
Roodepoot	Goldman Furnishers			Level 2	Level 1
Selby	Smith and Simmons			Level 2	Level 2
Midrand	Market near taxi rank			Level 2	Level 1

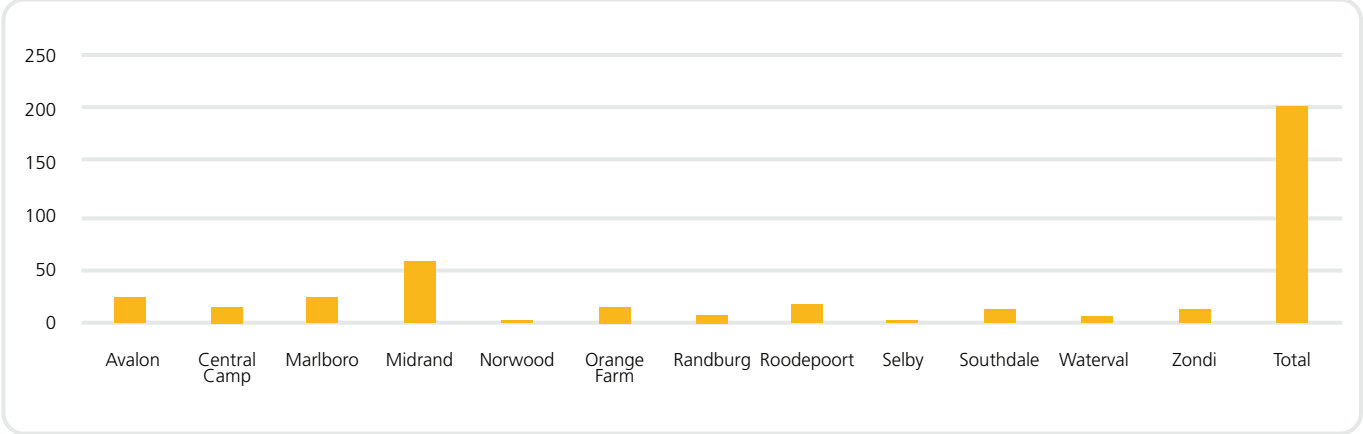
Informal Settlements

Figure 22: Informal Settlement Tonnages Collected Over Five Financial Years



A total of 69 537 tonnes was removed from the 201 known informal settlements across all seven regions in the 2024/25 financial year. A five-day service is provided to residents in all informal settlements, including the distribution of bags, collection of waste, clearing of illegal dumping, litter picking, and waste collection using skip bins. Marlboro, Selby, and Midrand depots provide a seven-day service.

Figure 23: Number of Informal Settlements per Depot



Illegal Dumping

In the 2024/25 financial year, 369 705 tonnes of illegally dumped waste was removed from 2 176 illegal dumping spots serviced a rotational basis. Regions D and G, in the south of Johannesburg, contain a high number of identified spots, followed by Region F, situated in the Inner City, where illegal dumping rates also remain high. To address this, ongoing educational programmes are in place to combat the issue. Several forums have been established to seek interventions from the JMPD, Environmental Health, and other enforcement agencies to assist with by-law enforcement. Furthermore, the Office of the Executive Mayor coordinates a programme to rehabilitate 100 illegal dumping spots across all regions, in collaboration with CRUM, relevant entities, and external stakeholders.

Figure 24: Illegal Dumping Tonnages Collected over Five Financial Years

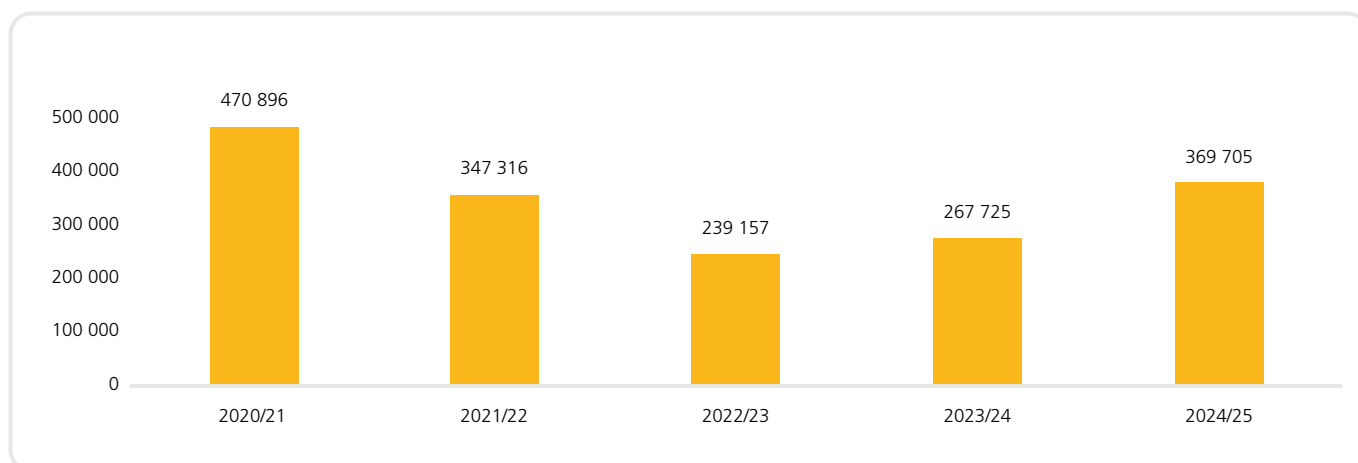
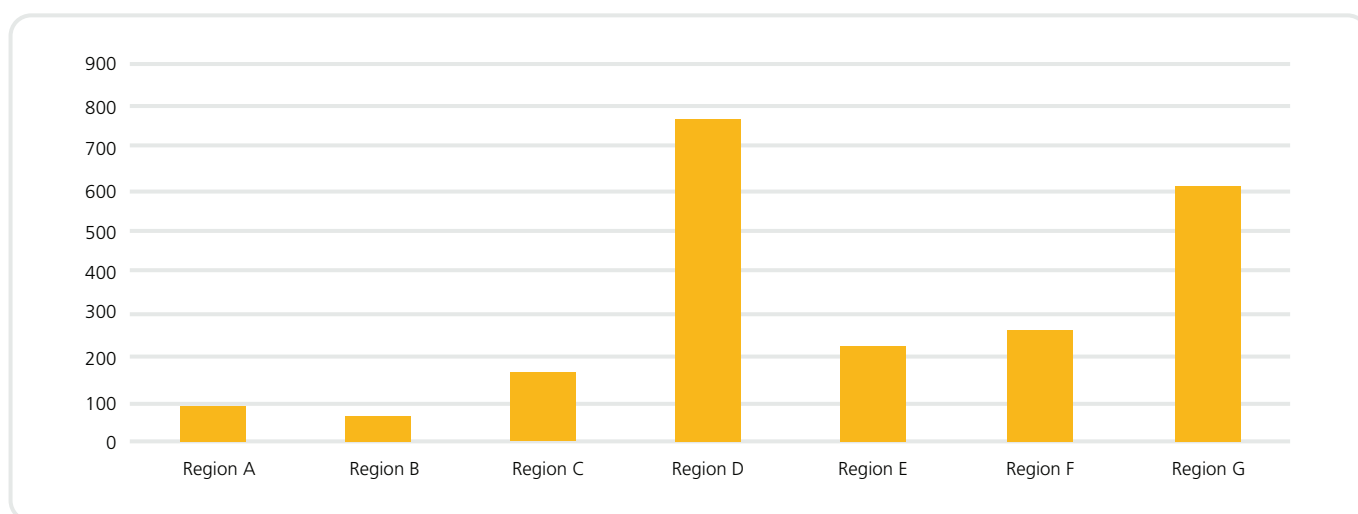


Figure 25: Illegal Dumping Spots per Region



Overtime

Overtime expenditure

Overtime is worked according to operational needs and subject to management approval. Employees below operations manager level are scheduled to work overtime based on the operation's needs. Overtime plans are prepared monthly by regional managers for pre-approval by executives.

Overtime Activities

The following activities may include scheduled overtime, when required, to ensure service: waste minimisation (S@S), domestic RCR, informal settlement clean-ups, administration, garden site operations, CBD street cleaning, and illegal dumping clearance. Although Pikitup has a standard five-day work week, the operational requirement for a clean City necessitates seven-day coverage for specific activities, extending to after-hours and public holiday services. Management has implemented measures to control the authorisation and monitoring of overtime across these activities.

Operational Report – Waste Minimisation

Distribution of 240 L bins

A total of 29 743 bins were delivered in 2024/25 financial year; Figures 26 and 27 and Table 32, reflect the numbers per category, per quarter, and per depot.

Figure 26: Bin Distribution per Category – 2024/25

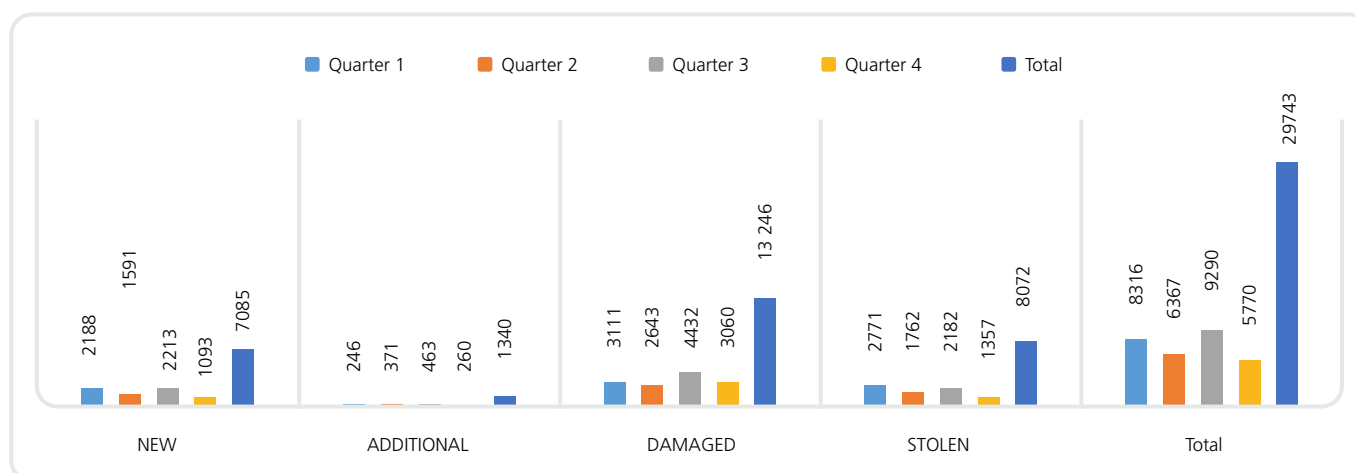
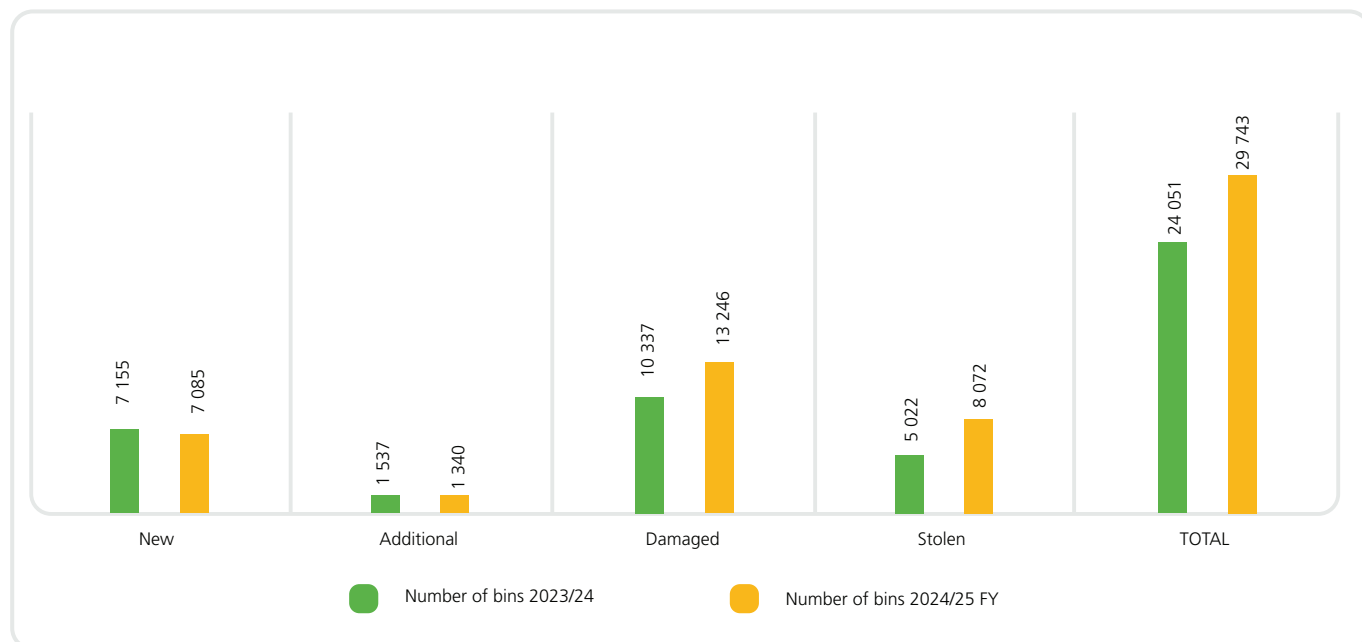


Table 32: Number of Bins Issued per Quarter and per Depot – 2024/25

NUMBER OF BINS ISSUED PER DEPOT FOR THE 2024/25 FY																	Total
Depot	Q1				Q2				Q3				Q4				
	New	Additional	Damaged	Stolen	New	Additional	Damaged	Stolen	New	Additional	Damaged	Stolen	New	Additional	Damaged	Stolen	
Avalon	65	0	143	165	25	13	103	68 104	98	14	146	209	101	9	192	205	1 556
Central Camp	52	1	199	117	65	124	322	23	105	3	231	216	67	4	179	72	1 861
Marlboro	231	5	230	5	116	10	114	75	176	6	286	37	106	3	65	111	1 524
Midrand	778	59	121	132	346	2	71	181	410	220	182	110	38	147	74	40	2 805
Norwood	46	7	64	103	170	12	152	416	59	51	308	150	29	24	215	56	1 627
Randburg	330	13	260	680	318	108	513	94	137	9	304	69	348	10	403	72	3 990
Roodepoort	109	40	447	124	69	20	491	54	441	3	1 398	155	170	3	973	158	4 695
Selby	70	51	353	66	111	42	212	240	110	17	105	43	73	29	256	28	1 620
Southdale	126	31	105	385	57	19	106	32	226	106	245	304	55	16	191	162	2 374
Orange Farm	64	0	171	147	57	0	92	123	163	0	386	175	18	0	161	172	1 638
Waterval	42	31	137	137	36	20	190	352	66	4	221	145	26	15	195	100	1 488
Zondi	275	8	881	710	221	1	277	1 762	222	30	620	569	62	0	156	181	4 565
Total	2 188	246	3 111	2 771	1 591	371	2 643	1 762	2 213	463	4 432	2 182	1 093	260	3 060	1 357	29 743
	8316				6367				9290				5770				

Figure 27: Bin Deliveries per Category – 2023/24 FY vs 2024/25



Sorting at source has become mandatory across all CoJ regions, with all depots are participating. However, Selby, Roodepoort, and Randburg are currently covering only a portion of their areas, as the programme has not been officially rolled out in these depots due to budget constraints. Despite this, these three depots have performed commendably with the limited resources at their disposal.

Separated waste material is being collected in 268 areas within the City, placing Pikitup at a 36% participation rate in the S@S programme rollout.

The CoJ operates six buy-back centres, which also serve as sorting facilities for S@S co-operatives –Reashoma (Zondi Depot), Siyaphumelela (Orange Farm Depot), Main Reef (Selby Depot); Lesedi, Mveledzo and Bonthle ke Tlhago (Midrand Depot). These buy-back centres facilitate the receipt of recyclables from waste pickers and members of the public.

The S@S programme comprises 21 co-operatives and garden site entrepreneurs, who assist in diverting waste from landfills.

Table 33: Co-operatives Operating at Pikitup Sorting Facilities and Buy-Back Centres –2024/25

No	Co-operative	Depot area
1	Mveledzo Co-operative Buyback Centre	Marlboro
2	Lesedi Co-operative Buyback Centre	Marlboro
3	Gomora Co-operative	Marlboro
4	Shomang Sebenzani Environmental Co-operative	Marlboro
5	Twanani Recycling Co-operative	Marlboro
6	Peace Briton	Marlboro
7	Reashoma Buy-Back Centre	Zondi
8	Tiyani Waste Management	Midrand
9	Main Reef Buy-Back Centre	Selby
10	ECO Recycling (Ashanti Garden Site)	Waterval
11	Itsoseng Women's Buy-Back Centre	Orange Farm
12	Siyaphumelela (Garden Site)	Orange Farm
13	WCCA Foundation (Garden Site)	Randburg
14	Robertville Recycling (Buy-Back Centre)	Roodepoort
15	Protech Waste Co-operative	Southdale
16	Diaryan Co-operative	Southdale
17	Refuse Dispenser	Southdale
18	ABNP/BFGA Co-operative	Southdale
19	Zero Waste (Bellona Garden Site)	Waterval
20	Sicelo Sethu (Zakaria Park Garden Site)	Avalon
21	Purpose Recycling (Circle Garden Site)	Avalon

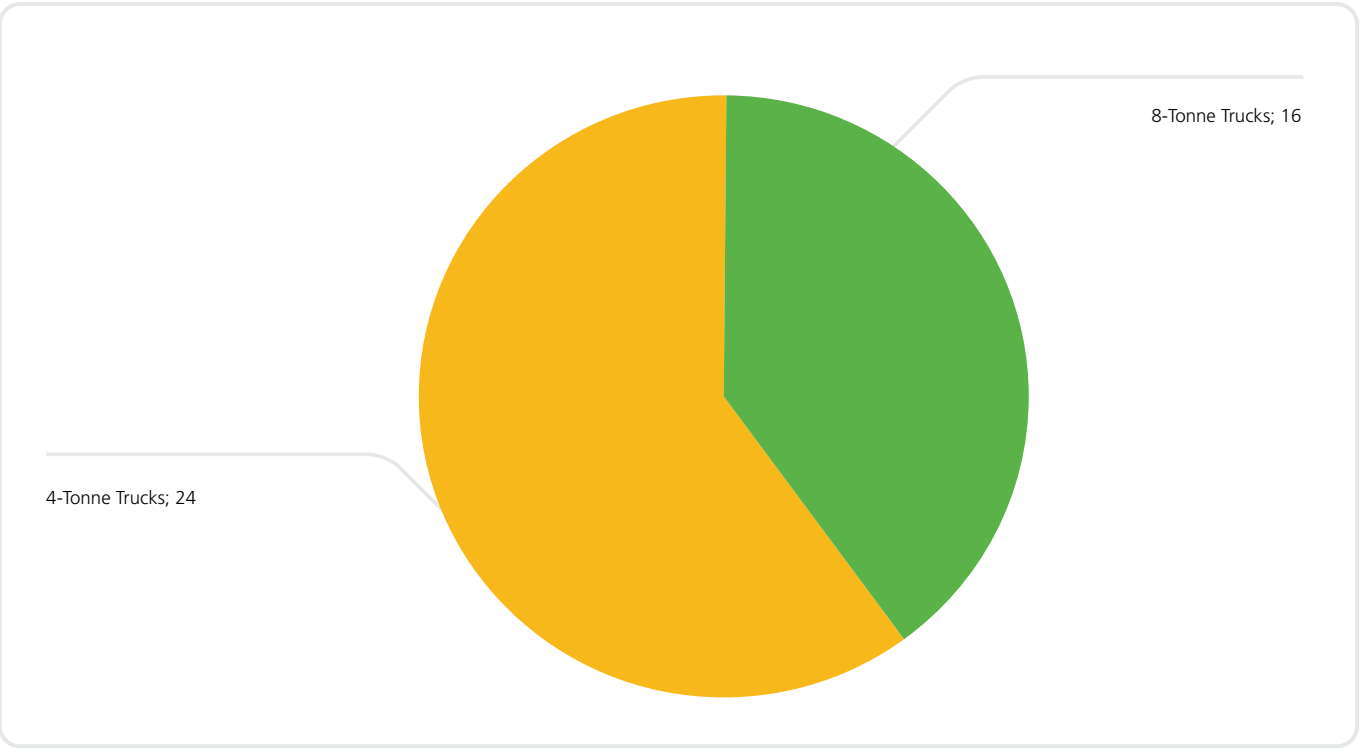
Highlights: Waste Minimisation Unit

Forty cage trucks were distributed across the depots, increasing collection capacity and tonnages. This allocation includes 16 8-tonne and 24 4-tonne capacity trucks. These assets will enable depots to expand S@S to all remaining areas, with specific depot allocations indicated in Table 34.

Table 34: Truck Allocation to Depots

Pikitup Depots	(4 X 2) 6- to 8-Tonne Closed-Mesh Cage Body
Avalon	4
Central Camp	2
Marlboro	4
Midrand	4
Norwood	4
Orange Farm	2
Randburg	3
Roodepoort	2
Selby	4
Southdale	3
Waterval	4
Zondi	4

Figure 28: Total Number of S@S Trucks Allocated per Design



Environmental Calendar Days and Community Events

Waste Minimisation Unit challenges

- Security remains a concern at Pikitup facilities, posing a threat to co-operatives and entrepreneurs at garden sites.
- Vandalism of Pikitup facilities and theft of S@S materials persist due to the absence of on-site security.
- There is a shortage of S@S sorting facilities across all depots.
- Some cage trucks are currently non-operational due to non-compliance; however, the Fleet Department is working to rectify the matter.
- Inaccurate weighing remains a challenge, as co-operatives lack access to functional weighbridges and scales. Consequently, tonnages are currently based on material weighed by buyers, which may not fully reflect the value of waste diverted from landfills.

- Three of the entity's buy-back centres require full renovation and upgrading into integrated waste management facilities, with the Main Reef Buy-Back Centre being the most urgent.

Commercial Services

Commercial revenue performance – Commercial contracts signed over 12 months

Table 36 shows a total of 177 new and additional service contracts signed in the past 12 months. Recruitment is underway to fill critical positions, including GM: Commercial Services. Additionally, current performance indicates that more would be achieved if the Commercial Service Unit were capacitated to fill critical positions such as business consultants, a BIS clerk, an admin supervisor, admin clerks, a customer support officer and two operations managers for the north and south regions.

Table 35: New Commercial Contracts and Customers

Service Contracts Signed	New and Additional Service Contracts as of 30 June 2025
New services – BRCR	88
New services – institutions	59
New services – dailies	3
Bulk	27
Total service contracts signed	177

The overall planned budget for commercial services was exceeded by over 2% in the 2024/25 financial year.

Table 36: Annual Commercial Revenue Report 2024/25

Balance Sheet Accounts		8A-ALL-ACC	Total
Plan/Act./Var. w/o EIBV		Status:	18.08.2025Page: 2/ 4
Controlling Area		1000	COJ Metropolitan Council
Profit Center/Group		PIKITUP	Pikitup
Person responsible		*	
Reporting period		1 12 2024	

Profit and loss accounts	Plan	Actual	Var. (abs.)	Var. (%)
1648306 BULK CONTAINER SERVICES	77,351,000.00-	82,736,381.40-	5,385,381.40-	6.96
1648309 LANDFILL FEES	78,630,000.00-	119,013,843.86-	40,383,843.86-	51.36
1648317 INSTITUTIONS	17,723,000.00-	18,340,365.93-	617,365.93-	3.48
1648322 BUSINESS RCR	117,237,000.00-	119,277,370.55-	2,040,370.55-	1.74
1648323 BUSINESS DAILIES	15,422,000.00-	16,440,874.44-	1,018,874.44-	6.61
1648340 IS-U CITY CLEANING LEVY	236,812,000.00-	236,711,439.40-	100,560.60	0.04-
1678306 REFUSE FEES:DOM IS-U	2,432,079,000.00-	2,442,416,704.50-	10,337,704.50-	0.43
1858482 INDIGENT REFUSE IS-U	56,321,000.00-	44,677,396.00-	11,643,604.00-	20.67-
** Commercial Revenue	2,918,933,000.00-	2,990,259,584.08-	71,326,584.08-	2.44



Gauteng government departments – Outstanding balances

The CoJ has included the Pikitup Commercial Services Management Team in the Debt Management Committee, alongside COGTA and relevant Gauteng Provincial Departments. This forum allows for ongoing discussions on outstanding balances and payment issues. Further engagements with Baragwanath Hospital (which has the highest outstanding amount) are ongoing.

Table 37: Government Outstanding Balances for the Period 1 July 2024–30 June 2025

Department of Health Accounts			
	Account Numbers	Total Payments Received by 30/06/2025	Outstanding amount
Baragwanath Hospital	330215100	R4 626 332,33	R39 938 339,48
Helen Joseph Hospital	330133760	R324 054,96	R9 734 469,26
Rahima Moosa Hospital	330137250	R1 308 732,77	R4 551 560,82
South Rand Hospital	330138568	R0,00	R3 561 323,30
Johannesburg Hospital	330134556	R0,00	R5 176 830,69
Edenvale Hospital	330230725	R0,00	R5 013 383,14
Sizwe Tropical Disease Hospital	330233934	R0,00	-R433 324,24
Total		R6 259 120,06	R67 542 582,45
Department of Correctional Services Accounts			
		Total Payments Received by 30/06/2025	Outstanding amount
Johannesburg Prison	330234670	R14 203 111,34	R934 075,19
Leeukop Prison	330234720	R10 122 066,31	R1 095 235,41
Total		R24 325 177,65	R2 029 310,60
Department of Defence Accounts			
Defence Force	Account Numbers	Payment Received by 30/06/2025	Outstanding Amount
Lenz Military Base	330198486	R0,00	R379 047,71
Doornkop Military Base	330191000	R0,00	R4 944 611,47
South Kensington	206016558	R0,00	R41 012,01
Total		R0,00	R5 364 671,19

Analysis of debt collection from government departments

Total payments received (all departments):

R30 584 297,71

Total outstanding amount (all departments):

R74 936 564,24

Therefore, despite payments received, the majority (over 70%) of debt remains unpaid.

Highlights: Commercial Services Unit

- The number of new customers signed up grew from 138 in 2023/24 to 177 in 2024/25, reflecting increased revenue generation and an expanded market share.
- Pikitup is implementing the Central Service Delivery Project, which is expected to facilitate the resolution of service and billing queries within agreed SLAs. This is intended to enhance customer confidence and trust in the entity.
- No significant customer complaints were lodged in the 2024/25 financial year, indicating improved service delivery across all commercial offerings.

Challenges: Commercial Services Unit

- Several critical positions remain vacant within the Unit, hindering optimal performance and business growth.
- The lack of a performance management framework for the Sales Division has led to performance disparities among business consultants. High performers are demotivated by the absence of recognition or compensation, as Pikitup's remuneration framework does not allow for performance-based incentives at

a C3 level.

- The unavailability of a fit-for-purpose fleet, including the absence of tracking capabilities, hampers service efficiency.
- Bins and trucks are not equipped with tracking chips and GPS co-ordination mapping, constraining billing accuracy.

Landfill Management and Waste Minimisation

Landfill management

This section provides an overview of disposal management, which includes the four operational landfill sites (Robinson Deep, Goudkoppies, Marie Louise, and Ennerdale and the two closed landfill sites (Linbro Park and Kya Sands).

Landfill cover

According to the permits, waste disposed of at landfill sites must be compacted and covered daily to minimise nuisances associated with landfilling, including odour, the breeding of vectors, and the percolation of precipitation, while also improving the aesthetics of the site. Operational performance regarding landfill cover was generally good across three sites; however, Robinson Deep was adversely affected by yellow plant breakdowns and the redirection of northern depots to the southern landfills.

Operational landfills and landfill tonnages

The four operational landfill sites are managed in compliance with their respective permits. The entity maintains rigorous standards to ensure that waste is consistently compacted and covered. However, Robinson Deep experienced significant challenges due to frequent plant breakdowns.

Table 38: Waste Disposed at Operational Landfills – 2024/25

Site	Q1 (Tonnes)	Q2 (Tonnes)	Q3 (Tonnes)	Q4 (Tonnes)	Total
Robinson Deep	135 215	180 564.57	128 814.02	151 147.00	595 740.59
Marie Louise	150 764	143 225.00	143 526.45	142 959.00	580 474.45
Goudkoppies	134 609	113 972.00	133 326.00	104 073.00	485 980.00
Ennerdale	24 673	24 850.00	27 570.00	27 751.00	104 844.00
EnviroServ	51 167	57 422.10	50 194.00	43 952.74	202 735.84
Waste Group	-	-	-	11 103.76	11 103.76
Totals	496 428.00	520 033.67	483 430.47	480 986.50	1 980 878.64

Plant availability

Table 39 indicates the percentage of yellow plant viability and efficiency at all four operational landfill sites.

Table 39: Summary of Plant Availability – 2024/25

Landfill Name	Total Number of Hours to be Worked by a Service Provider in a Month	Range of Hours Worked by the Service Provider	Percentage of Plant Availability
Robinson Deep (day shift)	248	234–248	83–96%
Robinson Deep (night shift)	248	248	100%
Ennerdale	13 888	12307	88.64%
Goudkoppies	248	131–248	53–100%
Marie Louise	13 888	12271.34	88.36%

Ground and surface water quality monitoring

Water quality sampling and monitoring for the June 2025 period has been completed; the service provider is currently finalising the associated reports.

by volume (at standard temperature and pressure) of flammable gas and CO₂ shall not exceed 1% and 0.5%, respectively, in gas monitoring probes. If atmospheric levels are found to be between 0.1% and 1%, regular monitoring is instituted.

Landfill gas monitoring

In terms of Pikitup's operational permits, landfill gas monitoring is conducted or quarterly. A study conducted in May 2025 monitored landfill gases such as methane (CH₄) and carbon dioxide (CO₂), which typically constitute 45–60% and 40–50% of landfill gas volume, respectively. The permits and licences stipulate that the concentration

The results of the study indicate that significant impacts to ambient air quality are not anticipated, despite measurements in the subsurface probes exceeding the 1% lower explosive limit at all six landfill sites.

Airspace availability

A landfill survey conducted in June 2025, as represented in Table 41, indicates the landfill airspace available based on the current deposition rate, assuming no additional interventions. The survey was performed in accordance with the South African survey reference system (Zones WG 29 and WG 27), using the Hartebeeshoek 94 datum and the SA Geoid 2010 Model.

Table 40: Landfill Air Space Survey Results – June 2025

Air Space Calculations (m3)				
Site Name	Ennerdale	Robinson Deep	Marie Louise	Goudkoppies
Total Airspace (Including Cover) as per Design	2 223 209	25 315 809	7 725 182	9 691 222
Consumed Air Space(m3)	2 196 603	24 854 081	8 477 436	9 144 173
Remaining Air Space(m3)	26 606	461 728	Over by 752 254	547 048
Lifespan	4 months	13 months	No remaining air space	15 months
Projected End Date	October 2025	July 2026	N/A	September 2026

While all four landfill sites remain operational, it should be noted that, collectively, CoJ has an average of 12 months available landfill airspace.

- The Marie Louise Landfill Site has exceeded its operational capacity and requires urgent closure to ensure compliance with license conditions and to safeguard the surrounding community and infrastructure.
- The Ennerdale Landfill Site currently has less than four months of available airspace.
- Based on the latest survey (June 2025), both the Marie Louise and Ennerdale landfill sites have technically reached capacity.

- Strategic interventions are underway to address these capacity constraints, including alternative land use initiatives (such as MRFs and sorting facilities), Phase 2 capital projects for leachate dam rehabilitation, and applications for height extensions and landfill expansions at both sites.

Challenges: Landfill management

- Decommissioned Landfill Sites: While Kya Sands and Linbro Park are closed, Pikitup remains statutorily obligated to manage and ensure ongoing compliance with permit and license conditions. Currently, these lack dedicated machinery due to budget constraints, posing a significant compliance risk.

- **Weighbridge Management System:** Waste volumes continue to be captured manually, due to several factors:
 - » Technical delays in the installation of the system by the appointed contractor
 - » Ongoing vandalism of the weighbridge infrastructure
 - » A shortage of on-site security personnel to protect assets
- **Leachate and Storm Water Management:** All four operational sites face critical infrastructure challenges. Significant upgrades to storm water drains and leachate dams are required and the future installation of leachate treatment plants is necessary to ensure long-term environmental protection.
- **Depleting Available Landfill Airspace:** As previously noted, the Marie Louise site has reached its capacity,

while the Ennerdale site has less than four months of available airspace remaining.

Compliance audits

While GDARD conducts annual compliance audits on landfills, Pikitup also commissions an independent annual audit to ensure that environmental and operational standards are rigorously maintained. Summarised findings from the 2024/25 audit are detailed in Table 42, with the full independent audit report available in Chapter 6.

The results indicate that Pikitup's landfill sites are performing satisfactorily, with an overall average compliance of 64.4%. This represents a steady improvement from the 61.1% recorded in the 2023/24 financial year. Specifically, operational sites achieved 69.3% compliance, while closed sites reached 59.5%.

Table 41: Summary of Audit Performance Scores

Landfill Site	Annual Performance		Variance – Improved/ (Regressed)
	2024/25	2023/24	
Ennerdale	75.00%	76.31%	-1.31%
Goudkoppies	73.39%	65.72%	7.67%
Marie Louise	73.88%	68.64%	5.24%
Robinson-Deep	55%	66.53%	-11.53%
Operational sites average	69.34%	69.30%	0.04%
Kya Sands	51.49%	48.49%	3%
Linbro Park	67.57%	57.11%	10.46%
Closed sites average	59.53%	52.80%	6.73%
Average compliance	64.44%	61.05%	3.39%

Table 42: Required Interventions to Improve Landfill Audit Compliance

No.	Challenge	Required Intervention	Management Comment	Progress to Date
1	Licence conditions/ licence renewal	Review and update permit and licence conditions across all sites to ensure relevance to current operational states. Address repetitive or ambiguous conditions and expired timeframes.	A consultant has been appointed to conduct a comprehensive review of all permits and has been instructed to initiate the licensing process for all operational landfills.	Implementation has commenced.
2	Buffer zone incursion	Address the encroachment of illegal informal settlements and residential structures into buffer zones to mitigate the risks of vandalism, operational interference, and the unregulated movement of reclaimers. These incursions expose the entity to unforeseen legal and environmental liabilities that may compromise long-term operational sustainability.	Encroachment of the buffer zone is a critical issue requiring intergovernmental intervention.	Ongoing engagement for intergovernmental support, with a specific focus on the Goudkoppies buffer zone
3	Criminal waste activities at Kya Sands	Address systemic illegal dumping and the unauthorised acceptance of waste by criminal syndicates at the site	Criminal waste activity is a critical risk requiring intergovernmental and law enforcement intervention.	Escalated for intergovernmental intervention to address the security and compliance risks.

Landfill disposal infrastructure development

The infrastructure improvement projects seek to address regulatory notices, including compliance notices issued by GDARD. These projects are at various stages, as detailed in Table 44. Key objectives of these developments include:

- Establishing recycling facilities with rubble-crushing plants to enhance waste reclamation activities away from the tip face
- Improving the safety of the tip face working environment
- Promoting airspace preservation
- Increasing airspace at the Marie Louise Landfill Site

Table 43: Landfill Infrastructure Projects

No.	Contract No.	Project Descriptions	Project Expenditure as at 30 June 2025	Physical Progress (%) as at 30 June 2025
1	PIK032/2022-23	Phase 2 construction of ablution facility, boundary wall, installation of sound and HVAC system in a hall, and renovation of administration building at Marlboro Depot.	7 258 145,00	-
2	PIK028/2022-23	Appointment of a contractor for Phase 1 construction of a sewer line and upgrading of male and female ablution facilities at Selby Depot.	6 450 990,00	-
3	PIK034/2022-23	Phase 2 appointment of a contractor for construction of a boundary wall, paving, water, sewer, and electricity supply connection at Bellona drop-off centre.	2 733 399,00	-
4	PU111/2022	Phase 1 construction of a guardhouse, reinforced concrete boundary wall, and stormwater management system; and the installation of boreholes and dewatering equipment at Goudkoppies Landfill Site	2 3428 648,00	-
5	PIK043/2020-21	Phase 1 appointment of a contractor for the construction of a sorting facility for declaimers, a stormwater management system, and access roads at Linbro Park	4 694 787,00	-
6	PIK093/2021-22	Phase 1 construction of a reinforced concrete boundary wall at Marie Louis Landfill Site	9 818 871,00	-
7	PIK031/2022-23	Appointment of a contractor for the construction of a sorting facility for declaimers as Robinson Deep Landfill Site	13 673 530,00	-
8	PIK028/2022-23	Appointment of a contractor to upgrade the leachate pond/dam at Robinson Deep Landfill Site	12 709 738,00	-
9	PU093/2020	Supply, delivery, and offloading of the bulk skip bins equipped with Radio Frequency Identification (RFID) technology	3 818 701,16	-
10	DMP002/2023- 24	Demolishing of existing asbestos building, construction of new offices, male and female ablution facility, heavy-duty parking area, 450-seater hall, and renovation of existing buildings at Central Camp Depot	4 975 679,46	-
11	PU065/2018	Consulting services for rezoning and subdivision of new additional site, relocation of access road, and rerouting of existing stormwater line; and construction of new office precinct, boundary wall, waste pickers recycling shed, and new cell development at Ennerdale Landfill Site	1 470 002,88	-
Total project expenditure and physical progress			91 032 491,50	-
Total percentage of project expenditure and physical progress			98.7%	-

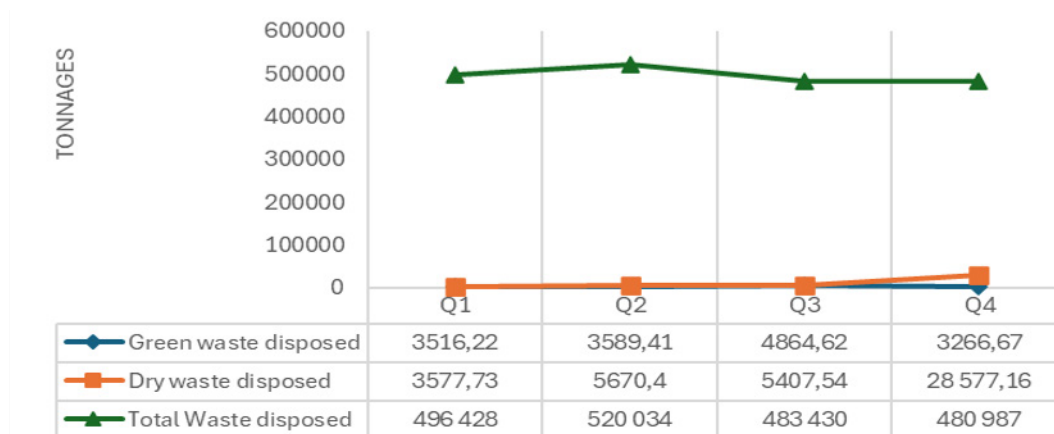
Table 44: Diversion Waste Stream Tonnages for Q1–Q4: April 2024/25

Dry Waste Stream	Diverted tonnages Q1 (Numerator)	Disposed tonnages Q1 (Denominator)	Diverted percentage Q1	Diverted tonnages Q2 (Numerator)	Disposed tonnages Q2 (Denominator)	Diverted percentage Q2	Diverted tonnages Q3 (Numerator)	Disposed tonnages Q3 (Denominator)	Diverted percentage Q3	Diverted tonnages Q4	Disposed tonnages Q4	Diverted percentage Q4	Annual Target (BP)	KPI Annual Achievement (2024-2025)
Green Waste	3516,22	496 428	0,71%	3 589,41	520 034	1,40%	4 864,62	483 430	2,41%	3 266,67	480 987	3,10%	3%	3.09% (cumulative)
Landfill & S@S	3 577,73	496 428	1,55%	5 670,40	520 033,67	2,20%	5407,54	483 430,47	3,36%	28 577,16	480 966,50	8.9%	5%	8.9% (cumulative)
													8%	12.0%

It should be noted that the green waste diversion was stable for Q1 and Q2 but increased in Q3, driven by high seasonal rainfall and a subsequent rise in generated volumes of green waste. Similarly, dry waste diversion saw an upward trend in Q2 and Q3, reflecting the heightened demand for recyclables and increased consumption patterns ahead of the festive season.

The growth observed in Q4 is attributed to the enhanced contribution of private-sector partners within the recycling value chain. Moving forward, continued collaboration is essential to bolster internal waste diversion programmes and strengthen Pikitup's broader waste minimisation efforts.

Figure 29: Annual Tonnages for Green and Dry Waste Diversion



Although the KPI for reporting and monitoring builder's rubble diversion was removed from the current organisational scorecard, the Landfills and Waste Minimisation units continued to track the receipt of this waste stream. Builder's rubble remains a major contributor waste diversion, as it is reused for operational purposes at the landfill sites.

Facilities Management

Facilities Management (FM) ensures that all Pikitup employees, assets, and fleet are housed in a safe, comfortable, and conducive environment. The unit's objective is to transition from a reactive to a more proactive and preventive maintenance approach.

Soft facilities management services

Hygiene services

The contract for hygiene services, awarded to Techno-wax (Pty) limited, is valid for 36 months. Facilities Management manages the contract through an SLA to ensure consistent compliance with deliverables. Where non-performance is experienced, the entity imposes sanctions and penalties. Procurement of new furniture for depots

The unit used the RFQ procurement process to procure depot-specific furniture during the financial year.

Filing storage

Management resolved to convert two stores located at the Waterval Depot for archiving and document management. Revamping the two existing storage facilities is in progress.

The project is funded through Capex; it is at the initiation stage and contractor has been appointed.

Grass cutting

The grass cutting contract was awarded to JCPZ and is well managed through a Service Level Agreement (SLA). The project operates through a monthly schedule for gardening and grass-cutting services.

Space planning

The office space planning process is proceeding according to the plan. Renovations of all Head Office floors will follow the activation of tenant installation.

Boardroom and parking bookings

During the period under review, the unit processed 38 requests for boardroom bookings and approximately 130 for parking. In January 2025, 44 requests for boardroom bookings and approximately 75 for parking were received.

Inventory control

Bi-monthly meetings with internal stakeholders, such as the Asset Management team and ICT unit, continue as planned. The established Asset Management and Disposal Committee comprises Facilities and Security, Asset Management, and ICT. The committee seeks to fast-track the resolution of all discrepancies facing asset management in the entity.

Pest control

Facilities Management initiated a request for a tender through SCM. The process is underway and expected to conclude within the current financial year.

Hard facilities management

Management met with the Johannesburg Property Company (JPC) and Mutodo Properties to finalise issues that Pikitup raised in previous negotiations, such as:

- The inclusion of the 11th floor in the new lease agreement
- Reconciling 6 000 versus 5 180.63 m2
- Detailed invoicing with consumption readings
- Tenant installation costs of R4.5 million
- Finalisation of the addendum to the lease agreement

Condition assessment

The unit conducts site-specific condition assessments continuously at various Pikitup operational sites, including Head Office. Action plans are compiled in spreadsheet form and updated timeously.

Facilities maintenance

The FM team continues to drive improvements in site reliability and service delivery through a preventive maintenance regime, regular audits, and data-informed interventions.

Key achievements:

- Proactive Issue Resolution: Regular facility inspections have led to early detection of infrastructure issues, reducing downtime and service disruptions.
- Operational Cost Containment: A significant decline in maintenance calls logged signal improved facility conditions and responsiveness from on-site repair teams.

Repairs and maintenance

Pikitup provides efficient, sustainable, and reliable waste collection through 12 depots and one Head Office, which is used as an administration hub. Facilities Management aims to maintain safe, fully functional depots and office infrastructure to ensure continuity of waste management operations for the City's residents and businesses. During the period, 622 calls were logged, comprising 15 emergencies and 196 cases of basic repairs attended to by handyman. The unit executes minor maintenance projects through RFQ processes, a panel of contractors, or internal handymen.

Fleet and Plant Management

Fleet

Pikitup has 163 owned specialised fleet units deployed at depots for various operational activities. In addition, it has ad hoc fleet units to assist with or supplement the shortfall of the existing Pikitup fleet units. All 163 non-specialised units ordered through the City's full maintenance lease contract are received.

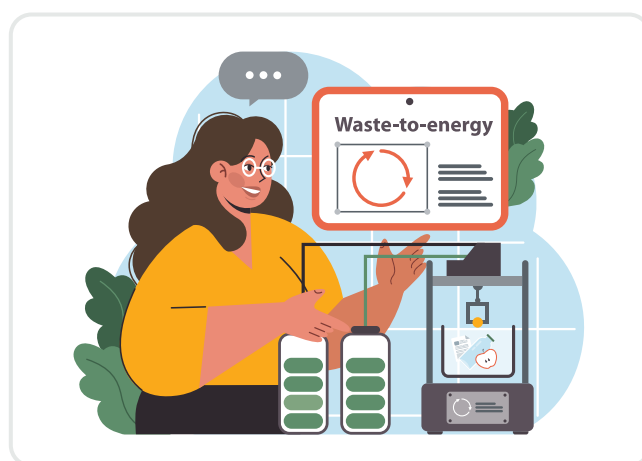


Table 45: Current Pikitup Specialised Fleet Resources

CURRENT SPECIALISED FLEET PIKITUP	QUANTITY
(6 X 4) 19 - 21 CUBE REL COMPACTOR WITH LOW/HIGH BIN LIFTERS	62
(6 X 4) 19 - 21 CUBE REL COMPACTOR WITH WINCH CABLE	22
(6 X 4) 9 - 12 CUBE REL COMPACTOR WITH LOW/HIGH BIN LIFTERS	0
(6 X 4) 30 CUBE FEL COMPACTOR	3
(6 X 4) SKIP LIFT - ON	9
(6 X 4) 30 CUBE CONTAINER RORO	0
WATER TANKER TRUCK 10 000 LITRE	0
(4 X 2) 10 TON TIPPER WITH CRANE	0
(4 X 2) DRIVEN MOBILE SWEEPER	0
(4 X 2) 6 to 8 TON CLOSED MESH CAGE BODY	11
(6 X 4) 10 TON TIPPER	55
(4 X 2) S@S CAGE TRUCK	1
TOTAL	163

Table 46: Non-Specialised Fleet Ordered

Pikitup Activity	CITY ENTITY/CORE DEPARTMENT	BODY TYPE	SPECIFICATION	QTY Ordered	QTY Received
Administration	PIKITUP WITH SPECS AS PIKITUP	LDV 0.5T SINGLE CAB	1500 - 1600	15	15
Fleet	PIKITUP WITH SPECS AS PIKITUP	HATCH	1350 - 1450	4	4
Landfills	PIKITUP WITH SPECS AS PIKITUP	LDV SINGLE CAB HIGH RIDER	2500 - 3000	2	2
Administration	PIKITUP WITH SPECS AS PIKITUP	MINIBUS 7 SEATER	1500 - 2000	17	17
Head Office	PIKITUP WITH SPECS AS PIKITUP	MINIBUS 14 SEATER	2500 - 3200	1	1
Head Office	PIKITUP WITH SPECS AS PIKITUP	PANEL VAN - LIGHT	1500 - 2000	1	1
Staff Transport	PIKITUP WITH SPECS AS PIKITUP	35 SEATER BUS	2800 - 3500	38	38
Staff Transport	PIKITUP WITH SPECS AS PIKITUP	65 SEATER BUS	2800 - 3500	13	13
Seperation @ Source	PIKITUP WITH SPECS AS PIKITUP	TRUCK - MEDIUM DOUBLE CAB	3000cc	40	40
Bin Delivery	PIKITUP WITH SPECS AS PIKITUP	TRUCK - MEDIUM SINGLE CAB	3000cc	12	12
Security	PIKITUP WITH SPECS AS PIKITUP	LDV DOUBLE CAB HIGH RIDER (4X4)	2500 - 3000	15	15
Facilities	PIKITUP WITH SPECS AS PIKITUP	LDV DOUBLE CAB HIGH RIDER (4X4)	2500 - 3000	2	2
				160	160

Fleet operational and maintenance challenges

- Day-to-day operational challenges include delays in receiving quotes from suppliers, as well as slow inspection turnaround times for inspections and approvals by service providers.
- Parts availability is a growing concern for hydraulic systems, as the manufacturer of several compactor bodies have ceased operations. Consequently, alternative parts must be sourced to repair these units.
- Similar challenges exist regarding major mechanical components for certain Original Equipment Manufacturer brands; these parts must be imported due to a lack of local stock.
- Ongoing maintenance of the specialised fleet has been

- hampered by inconsistent payments to the managed maintenance service provider. Furthermore, fuelling the estimated 325 fleet units poses a challenge due to non-payment or delayed payments to the fuel service provider.
- Licensing of the fleet has been obstructed by an inactive Business Registration Number (BRN) Pikitup. This resulted from CoJ auctions of old, non-operational units where the change of ownership was not concluded. As a result, outstanding license fees remain linked to Pikitup. While these fees are technically the responsibility of the buyers, the onus rests with Pikitup to settle the arrears before the BRN is unblocked. This is essential to ensure that current and new fleet units can be licensed for use on public roads.

Table 47: Current Fleet and Equipment Operational Status

Specialised Fleet Description	Quantity	Workshop	Operational
10 M ³ TIPPER	48	9	46
4 X BIN TRUCK	6	2	4
CAGE BIN TRUCK	11	5	6
REL COMPACTOR WITH BIN LIFTE	67	37	23
REL COMPACTOR WITH WINCH	22	14	8
SKIP LOADER	9	9	0
Total	163	76	87

Current fleet allocations

Of Pikitup's 163 active specialised fleet units, 53 were inspected at various workshops. A report has been submitted recommending the de-fleeting and auctioning of these units, as they are no longer fit for purpose and have reached the end of their economic life.

Table 48: Illegal Dumping – Ad Hoc Fleet Resources

CURRENT ILLEGAL DUMPING EQUIPMENT ALLOCATED(May 2025)						
Pikitup Depot	Ad-hoc TIPPERS	TLB	BOB CATS	GRABS	FEL	TOTAL
AVALON	4	2	0	1	0	7
CENTRAL CAMP	7	2	1	0	0	10
DISPOSSAL	3	0	0	0	0	3
MARLBORO	6	1	4	0	1	12
MIDRAND	10	4	1	0	0	15
NORWOOD	4	0	1	0	0	5
ORANGE FARM	3	1	1	0	0	5
RANDBURG	4	2	2	0	0	8
ROODERPOORT	3	1	1	0	0	5
SELBY	2	0	5	0	0	7
SOUTHDALE	2	1	1	0	0	4
WATERVAL	2	1	0	0	1	4
ZONDI	6	1	0	0	1	8
TOTAL PLANT AND EQUIPMENT	56	16	17	1	3	93

Table 49: Specialised Ad Hoc Fleet Resources

(6 X 4) 19 - 21 CUBE REL COMPACTOR WITH LOW/HIGH BIN LIFTERS	230
(6 X 4) 19 - 21 CUBE REL COMPACTOR WITH WINCH CABLE	38
(6 X 4) 9 - 12 CUBE REL COMPACTOR WITH LOW/HIGH BIN LIFTERS	4
(6 X 4) 30 CUBE FEL COMPACTOR	5
(6 X 4) SKIP LIFT - ON	24
(6 X 4) 30 CUBE CONTAINER RORO	11
WATER TANKER TRUCK 10 000 LITRE	1
(4 X 2) 10 TON TIPPER WITH CRANE	1
(4 X 2) DRIVEN MOBILE SWEEPER	3
(4 X 2) 6 to 8 TON CLOSED MESH CAGE BODY	27

Service providers – Drivers

In terms of the Group Fleet Policy Framework, drivers must possess a valid and appropriate South African driving licence for their assigned vehicles. Moreover, all drivers are required to maintain a valid professional driving permit (PrDP), in accordance with the National Road Traffic Act (No. 93 of 1996), which is renewable every two years. A total of 345 drivers from service providers operate the entity's specialised and non-specialised vehicles.

Table 50 shows that 42 drivers are currently without a valid driving license and/or PrDP, while 16 are using foreign driving licences.

Table 50: Ad Hoc Service Provider – Drivers

ADHOC SERVICE PROVIDER DRIVERS				
DEPOTS	NUMBER OF DRIVERS	DRIVERS WITH VALID LICENSE AND PDP	DRIVER WITHOUT VALID DRIVERS LICENSE OR PDP	DRIVERS WITH FOREIGN DRIVING LICENSE
AVALON	13	12	1	0
CENTRAL CAMP	16	10	4	2
MARBORO	39	31	5	3
MIDRAND	36	36	0	0
ORANGE FARM	12	11	1	0
NORWOOD	33	30	1	2
RANDBURG	37	29	6	2
ROODEPOORT	30	28	2	0
SELBY	53	35	14	4
SOUTHDALE	22	20	2	0
WATERVAL	27	20	2	5
ZONDI	27	21	4	2
	345	283	42	20

Landfill ad hoc fleet and plant equipment

All four Pikitup landfill sites are operated by outsourced suppliers who provide operators with fleet and plant resources on a wet rate. Pikitup does not own any active plant units for use on the landfills, as certain plant units are no longer operational due to vandalism.

Disposal of old specialised fleet units

The redundant fleet comprises 12 specialised vehicles (mobile assets) owned by the CoJ and leased to Pikitup, which have been inactive and removed from its operations. These vehicles are to be replaced during the procurement processes for Pikitup specialised fleet contracts.

Table 51: Specialised Vehicles that Have Been Made Redundant

VEHICLE REGISTRATION	ACTIVITY	VEHICLE DESCRIPTION	COST OF REPAIRS	COST OF REPAIRS	CURRENT ESTIMATED REPAIR COST (Excl VAT)	TOTAL COST TO DATE
CK10GTGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 139 731,51	275 669,00	100 102,00	2 515 502,51
CK10HZGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	1 833 278,28	331 047,00	139 045,00	2 303 370,28
CM28ZXGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 420 182,55	328 895,00	173 600,00	2 922 677,55
CM49PGGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 419 722,66	123 933,00	73 707,00	2 617 362,66
CM75JBGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 062 075,11	118 017,00	153 753,00	2 333 845,11
CV99JGPG	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	1 828 476,81	815 751,00	141 185,00	2 785 412,81
CX11BFGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 253 917,00	160 559,00	142 077,00	2 556 553,00
DC28RHGP	COMMERCIAL BULK	(6 X 4) 20m ³ FEL COMPACTOR	869 228,60	194 355,00	318 907,00	1 382 490,60
DC28RZGP	COMMERCIAL BULK	(6 X 4) 20m ³ FEL COMPACTOR	1 934 548,65	-	214 519,00	2 149 067,65
DC46YZGP	COMMERCIAL BULK	(6 X 4) 20m ³ FEL COMPACTOR	1 367 636,57	-	230 572,00	1 598 208,57
DM18YJGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 266 540,35	533 391,00	-	2 799 931,35
DM36KTGP	REFUSE COLLECTION ROUND	(6 X 4) 20m ³ REL COMPACTOR (BL)	2 118 872,87	-	175 000,00	2 293 872,87

Pikitup driver training status (Refresher course)

Pikitup has acting and permanent drivers who are not fully equipped with the necessary fleet resources and tools of trade. Ongoing training comprises various modules to ensure that new driver candidates are equipped for the entity's operational environment.

A comprehensive theoretical and practical training programme on road safety and defensive driving is provided to drivers of specialised compactor trucks. The programme aims to improve driving skills and driver attitudes, while increasing drivers' knowledge and understanding of road safety and equipping them to respond effectively when faced with unexpected situations, and to be more aware of other road users.

The training includes:

- Induction training, incorporating wellness and health and safety

- K53 theory – refresher training
- Driver assessment
- Fleet SOP training
- On-the-job training
- Vehicle operation and landfill operational challenges

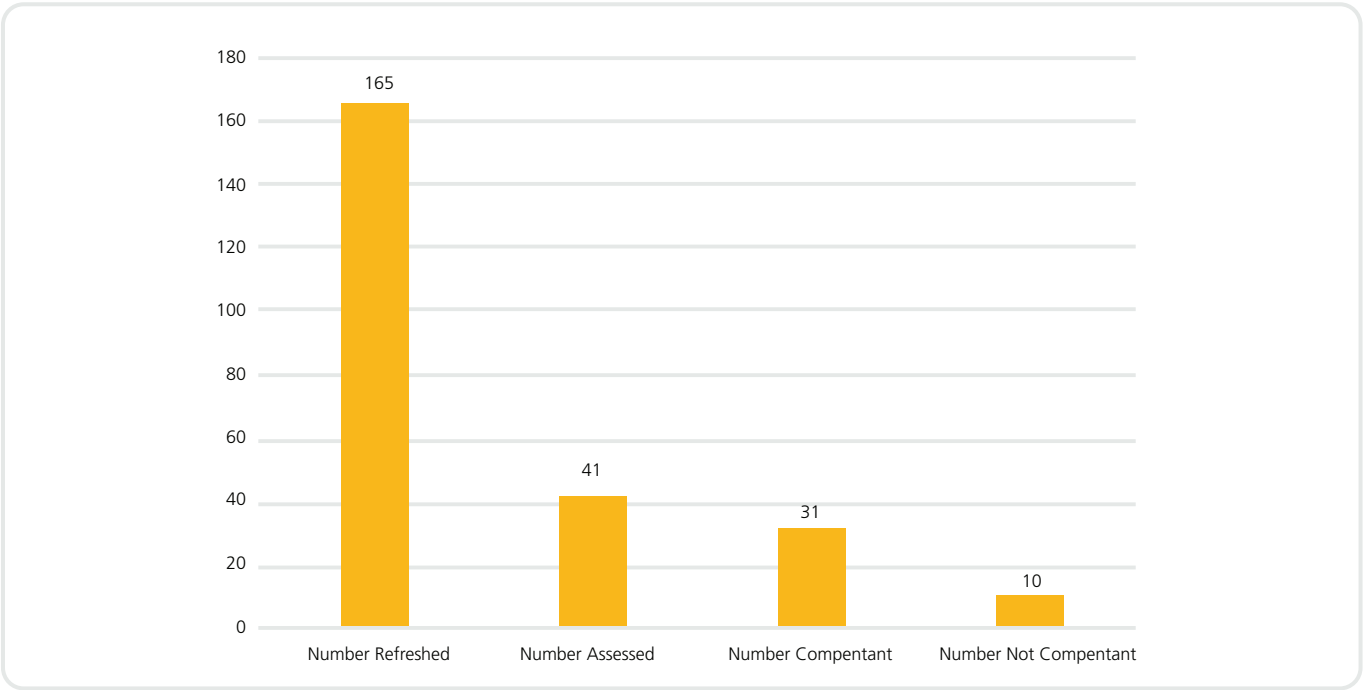
Pikitup's has commenced the assessment of its 240 drivers. The purpose of this driver assessment and refresher programme is to evaluate drivers' overall performance, their compliance with the company's and road safety policies, and to identify areas for improvement and further training.

Table 52: Number of Drivers Who Attended a Refresher Course (K53 theory refresher training)

Depots	Number of Drivers
Avalon	12
Bulk	13
Central Camp	15
Marlboro	4
Midrand	5
Norwood	10
Orange Farm	7
Randburg	16
Roodepoort	17
Security	20
Selby	9
Southdale	4
Waterval	17
Zondi	16
Total	165

Overall, 41 drivers attended the driver assessment, where they were practically tested on their driving skills at various depots and landfills. Of these, 31 successfully completed the assessment and were found competent. Ten drivers were found not to be competent and are required to undergo a further assessment to achieve the required competency standard.

Figure 30: Driver Competency Assessment Results



Batho Pele Principles

The Batho Pele (“People First”) Principles are rooted in the Constitution and require government officials – including those in municipal entities – to be polite, open, and transparent in delivering quality services to the public. In executing these principles, Pikitup focuses on the following areas:

Access

A total of 1.7 million formal households and 201 informal settlements were provided with waste management services during the period under review.

Information

The entity ensures that citizens receive full and accurate information about the public services to which they are

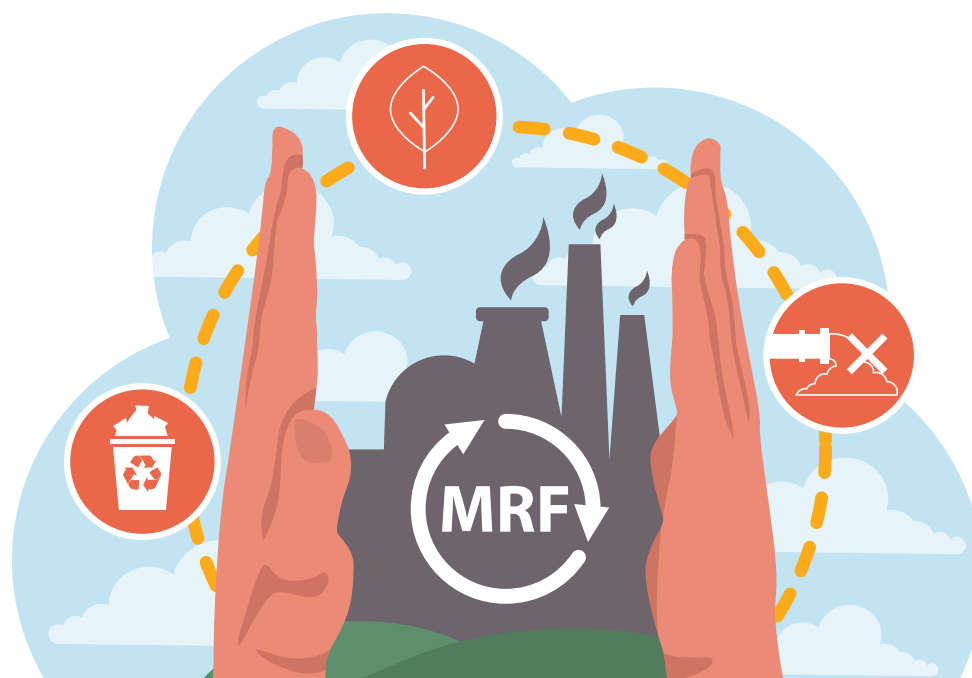
entitled, communicated through Pikitup’s Business Plan, Mid-Term Report, and Integrated Annual Report.

Redress

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

Value for money

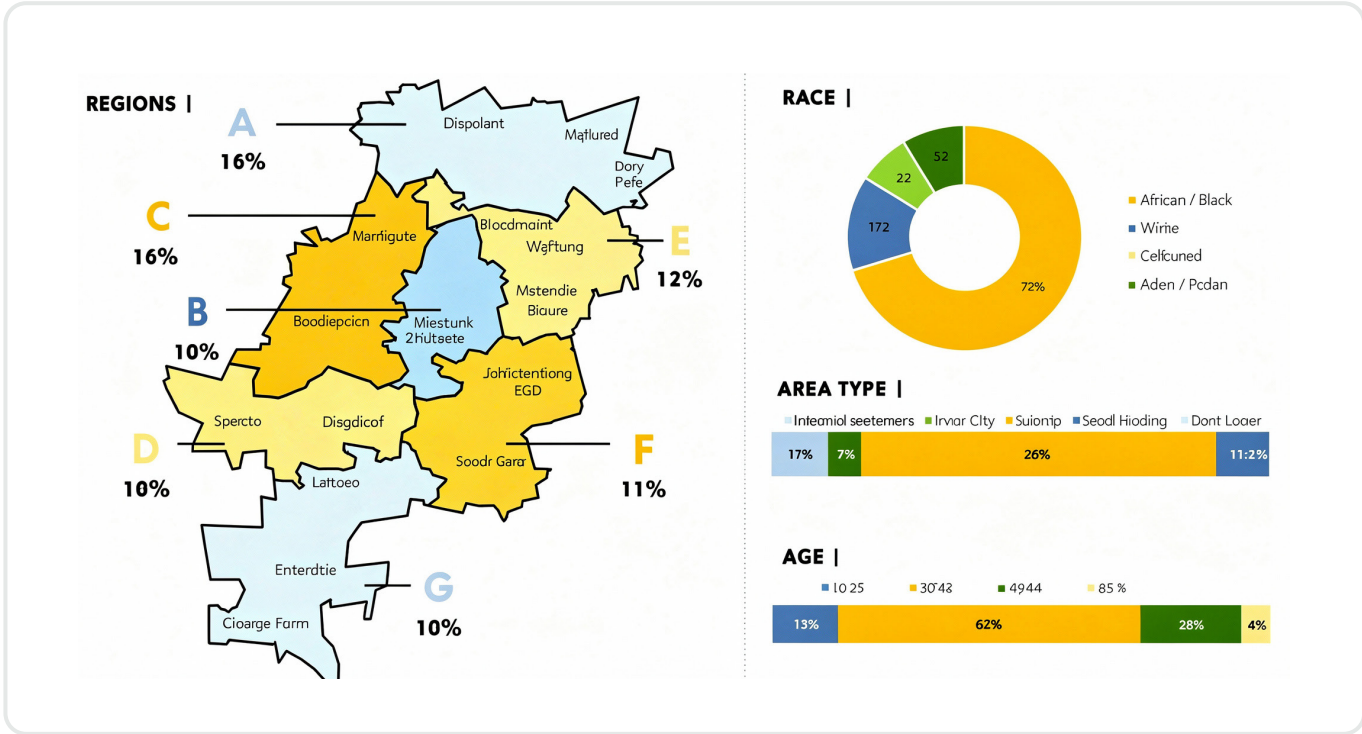
In terms of Regulation 28(1) of the Municipal Supply Chain Management Regulations 2005, the Bid Evaluation Committee evaluates bids in accordance with the principle of best value for money. Clause 7.7.1 of the company’s SCM Policy subscribes to this regulation, applying it in the evaluation of bids.



SECTION 7: PUBLIC SATISFACTION WITH MUNICIPAL SERVICES

Public perception is essential for driving growth, focusing initiatives, and measuring the success of service delivery projects. The CoJ currently conducts two large-scale surveys – the Quality of Life Survey and the Customer Satisfaction Survey – both conducted biennially. These surveys measure customer perceptions of the entity’s products and services, as well as customers’ level of trust and confidence in its operations. Pikitup uses the outcomes of these surveys to identify gaps and develop strategies to mitigate negative sentiment about its services, placing significant value on customer views as a driver of continuous improvement. Across both surveys, 2 808 respondents were successfully interviewed.

Figure 31: Demographic Distribution of Respondents



Pikitup ranked highest among comparable municipal entities, with 88.8% of respondents indicating that they received regular weekly refuse collection

Table 53: Level of Satisfaction Regarding Predictability of Pikitup Refuse Removal

Level												
0	Very dissatisfied											
5	Average satisfaction											
10	Very satisfied											
Don't know	Have not used the service or do not know											
Predictability of Pikitup's refuse removal service	Level of Satisfaction											
	0	1	2	3	4	5	6	7	8	9	10	Don't know
	5.0%	0.6%	1.7%	2.6%	3.0%	11.5%	3.3%	8.3%	13.4%	11.1%	38.8%	0.7%

Future Areas of Focus

In pursuance of the Executive Mayor’s priorities, community projects must be prioritised, and Pikitup, as one of the CoJ’s municipal-owned entities, aims to facilitate the creation of community-based jobs. Experience has shown that the current operational model can effectively engage communities that pursue a variety of commercial activities that, primarily in the field of waste management. The approach adopted by the EPWP recognises waste management as a collective effort in which Pikitup, as a public entity with a constitutional mandate, can enlist the partnership of private and informal sector stakeholders to further its core business.

The EPWP seeks to involve communities in service delivery to create jobs and strengthen linkages with the CoJ. For Pikitup, the programme contributes to a clean city, reduction in illegal dumping, food security, and job creation. It engages communities, including schools, churches, clinics, NGOs, and business owners. The EPWP combines a progressive supplier development approach to procurement with local economic development and community-driven service design, directly building community responses to service deficits. In doing

so, it fosters the development of micro-economies and local value chains throughout the CoJ. This platform will enable and empower both existing entrepreneurs and new market entrants, who in turn will draw on the hundreds of unemployed and underemployed people available as part of the CoJ’s available pool of unemployed and underemployed residents. The EPWP is designed to inject income and promote commercial activity throughout the CoJ. SMMEs and co-operatives play a significant role in the implementation of the programme, including:

Street sweeping and litter picking

- Sweeping streets and pavements, emptying litter bins – including the removal of any waste dumped illegally on the streets and open spaces – and maintaining cleanliness Level 1 standards (as per GDARD requirements)
- Conducting regular inspection of the sites

RCR collection and removal of street bags

- Collecting full refuse bags and 240L bins and transporting them to the allocated centralised collection points, where Pikitup collection vehicles, loaded by the service provider's designated workers, transport the collected waste to licensed waste disposal sites including landfills and transfer nodes.

Eradication and rehabilitation of illegal dumping spots

- Handing over cleared areas to SMME service providers, who will be responsible for maintaining cleanliness thereafter.
- Clearing illegally dumped waste and rubble from open spaces and street pavements within the allocated areas, followed by the rehabilitation of the sites after

eradication and an official handover of each site to the adjacent community.

Education and awareness campaign

- Partnering with local ward committees, community-based organisations, and SMMEs to roll out illegal dumping and littering prevention programmes in targeted communities in consultation with Pikitup
- Disseminating information regarding the programme, its operation, and waste management in general
- Attending ward committee meetings to raise awareness of the programme, resolve concerns and build community acceptance, and support SMMEs and co-operatives in maximising the commercial benefits of their participation



SECTION 8: RECOMMENDATIONS AND PLANS

The CoJ is facing a crisis as it rapidly runs out of municipal waste disposal capacity. The City relies predominantly on landfill sites for waste disposal but current landfill airspace is estimated to last only five more years. This, in addition to restrictions on new landfilling, requires the CoJ to adapt its current waste treatment and disposal approach and to actively pursue a waste paradigm shift towards more sustainable modes of resource recovery, waste treatment, and disposal.

Waste quantifications and categorisations projected forward over time indicate that the CoJ currently generates about 1.6 million tonnes of municipal waste per year, and diverts approximately 8% of this waste from landfill to material reclamation, rubble crushing, and composting. If household and business generation rates remain the same, coupled with expected population growth and expansion of the middle class, the CoJ could face a scenario requiring the disposal of 3.6 million tonnes of waste per year by 2050. Consequently, the five strategic priorities to support a waste paradigm shift towards a safe and sustainable waste economy for the entity are:

- Create an enabling environment for waste prevention and diversion
- Optimise resource reclamation through supportive infrastructure
- Ensure disposal capacity and compliance
- Establish smart data systems for waste tracking and management

- Pursue diverse partnerships for waste solutions that span the entire waste value chain.

These strategic priorities are supported by a suite of proposed infrastructure interventions to extend landfill capacity and ensure compliance, develop a waste-to-energy (WtE) programme, effectively reclaim useful materials, and support waste stream separation and processing by the City, community, and private sector. Successful implementation of this strategy and action plan is predicated on the following:

- Identifying and partnering with all relevant internal and external stakeholders
- Ensuring strong coordination and communication between the EISD and Pikitup, and within the Department and the entity
- Taking proactive steps to allocate resources for large infrastructure projects
- Undertaking sustainable public procurement of goods and services used by the CoJ, as well as for waste technologies and facilities
- Engaging consistently with neighbouring municipalities around the potential of regional solutions
- Strengthening formal and informal private sector partnerships
- Developing PPPs for running specific technologies
- Developing forums for co-learning and collaboration among partners
- Consistently monitoring and evaluating the transition to an effective waste hierarchy that is not dependent on disposal



Table 54: Focal Projects for the Upcoming Financial Year

		Implementation Timeframes			
Project Description	Waste Focus	Short Term	Medium Term	Long Term	Current Status
Recycling					
Drop-off centres (garden sites) – upgrades and new	Minimisation				Upgrades are in progress, with 23 sites completed to include recycling facilities and three currently underway.
Buy-back centres, sorting facilities, and landfill sorting areas	Recycling				The City intends to upgrade all garden sites to become Integrated waste facilities.
MRF (Linbro Park)	Recycling				Implementation of the MRFs at the landfills is currently being reviewed.
Integrated Waste Management Facilities (Linbro Park)	Recycling				Preliminary designs for Linbro Park, Kya Sands, and Marie Louise landfill sites commenced in 2017/18.
MRF (Kya Sands)	Recycling				Implementation of the MRFs at the above landfills is currently being reviewed.
Integrated waste management facilities (Kya Sands)	Recycling				Preliminary designs for Linbro Park, Kya Sands and Marie Louise landfill sites commenced in 2017/18.
MRF (Marie Louise)	Recycling				Implementation of the MRFs at Linbro Park, Kya Sands and Marie Louise landfill sites is currently being reviewed.
Integrated waste management facilities (Marie Louise)	Recycling				Preliminary designs for Linbro Park, Kya Sands, and Marie Louise landfill sites commenced in 2017/18.
MRF (Robinson Deep)	Recycling				This upgrade is on hold following EnviroServ's 2018 termination of the facility's lease and operating contract.
Integrated waste management facilities (Robinson Deep)	Recycling				Implementation has not yet started.
MRF(Ennerdale)	Recycling				Implementation has not yet started.
Procure land for new large-scale integrated waste management facility (north)	Recycling				Implementation has not yet started.
Food Waste and Green Waste					
Provision of 15 000 food waste bins to high generators (home composting)	Food waste				Implementation has not yet started.
Biogas project (private sector collaboration)	Food waste				Implementation is in progress.
3 x small anaerobic digestion facilities for clean organic waste (32 000 t/a or 88 t/d each)	Food waste				Implementation has not yet started.

Project Description	Waste Focus	Short Term	Medium Term	Long Term	Current Status
Food Waste and Green Waste					
3 x small mechanical plants (1 per AD facility) for clean organic waste (part of 32 000 t/a or 88 t/d each)	Food waste				Implementation has not yet started.
Subsidising of domestic or institution composting bins to high generators of food waste, for self-use at the point of generation	Compost				Implementation has not yet started.
Composting and food gardens at schools and institutions	Compost				Implementation has not yet started.
Composting bins at certain residences for on-site beneficiation	Compost				Implementation has not yet started.
New garden sites for receiving green waste and the ability to chip (by others)	Compost				Garden sites have been and continue to be upgraded. Ballyclare garden sites have been converted to a hub for garden waste. The Cedar Road garden site in Midrand is earmarked to be converted into a hub for garden waste.
Builders' Rubble					
Construction of a builders' rubble crushing facility	Builders' rubble				The CoJ plans to implement building rubble crushing at all landfill sites, including Robinson Deep. A previous initiative to invite private sector players to offtake crushed material at no cost this proved unsustainable, leading to the private party's withdrawal after a few months. Consequently, the procurement of a primary crusher plant to support current secondary crusher plants remains on hold.



CHAPTER FOUR: HUMAN RESOURCES & ORGANISATIONAL MANAGEMENT



Stakeholders Impacted: Employees

Strategic Goal 3: Effective Delivery of
Waste Services

Strategic Goal 5: Building an
Efficient, Effective, and Viable Waste
Management Company

The Human Resources (HR) Department attributes its strength to its people and recognises that employees add significant value to the organisation. Consequently, the departmental vision focuses on ensuring that employment practices and remuneration policies motivate and retain talent employees while creating an attractive environment for all staff. This chapter provides an overview of HR activities and achievements for the 2024/25 financial year.

SECTION 1: EMPLOYEE REMUNERATION

Payroll administration

The Human Resources function ensures the accuracy, completeness, and validity of payroll through compliance with controls, which include monthly verification of active employees by line managers, reconciliation of payroll, and accounting for overtime and acting allowances.

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

- Chief Audit Executive
- Executive Manager: Disposal, Waste Processing, and Commercial Services

Table 55 reflects the remuneration of executives who were active in the 2024/25 financial year.



Table 55: Executive Management Remuneration – 2024/25

Last name	First name	Level	Cash remainder	Bonus	Acting allowance	Travel allowance	Non- pension-able allowance	Medical aid contribution	Pension fund	Total
Zwane	Carol	E1	R1 865 981,64	R284 132,94	R125 766,33	R120 000,00	R0,00	R0,00	R145 471,60	R2 668 603,51
Mafunzwaini	Aluoneswi	E1	R1 493 074,68	R180 186,30	R147 216,10	R120 000,00	R0,00	R66 178,32	R122 996,48	R2 208 556,31
Masia	Angel	E1	R1 050 546,00	R164 749,10	R128 334,08	R300 000,00	R0,00	R66 178,32	R231 120,24	R1 940 927,74
Matsila	Litshani	F1	R2 757 890,04	R307 515,31	R0,00	R0,00	R21 816,00	R0,00	R202 013,32	R3 351 608,13
Njingolo	Bukelwa	F1	R3 690 943,04	R259 954,45	R0,00	R0,00	R21 816,00	R66 178,32	R0,00	R4 116 319,70
Selepe	Lefufisha	F1	R1 858 112,48	R222 990,71	R118 762,63	R120 000,00	R21 816,00	R20 908,80	R146 489,04	R2 533 400,16
Ndou	Joyce	F1	R2 189 055,50	R124 734,75	R0,00	R0,00	R0,00	R45 835,20	R163 900,68	R2 509 315,93
Radingoana	Nakgwe	E1	R1 319 653,18	R109 832,73	R148 513,15	R144 000,00	R0,00	R37 299,60	R146 891,84	R1 861 943,57
Ndlala	Nokwazi	F1	R856 319,32	R0,00	R0,00	R0,00	R0,00	R0,00	R0,00	R856 319,32
Ramatlo	Rantsae	F1	R753 645,00	R0,00	R0,00	R100 000,00	R0,00	R0,00	R110 460,24	R964 105,24
Total:										R23 011 099,61

SECTION 2: KEY VACANCIES

At the end of the financial year, Pikitup identified 25 critical vacancies requiring filling to enhance the capacity of the new organisational structure, which was approved on 19 September 2023. This new structure aims to align with and support the enhanced Pikitup Strategy and Business Plan, resulting in the creation of new and additional positions to fulfil Pikitup’s mandate to improve service delivery.

During the period under review, Pikitup recorded a 56% vacancy rate, including the aforementioned critical vacant positions. However, the entity currently lacks an adequate budget to fill these vacancies. To ensure business continuity, Pikitup appoints employees to act in or be seconded to various critical positions.

The recruitment of the 25 critical positions will proceed in phases, starting with the nine positions identified in Table 56.

Table 56: Critical Vacancies

No.	Level	Position/Title	Department
1	F	Executive Manager: Audit Risk and Compliance	Audit and Risk
2	F	Executive Manager: Disposal and Commercial	Disposal Waste Processing and Commercial
3	E	General Manager: Human Capital Management	Corporate Services
4	E	General Manager: Employee Relations	Corporate Services
5	E	General Manager: Business Strategy	Business Sustainability
6	C	Acquisition Officer	Supply Chain Management

Table 57 depicts terminations across all occupational levels within Pikitup that took place in 2024/25.

Table 57: Terminations – 2024/25

Level	Contract Expired	Deceased	Medical Boarding	Retirement	Resignation	Dismissal	Total
F	0	0	0	0	0	0	0
E	0	0	0	0	0	0	0
D	0	0	0	2	0	0	2
C	0	0	0	6	0	0	6
B	0	5	1	14	1	1	22
A	8	7	2	22	2	2	43
Total	8	12	3	44	3	3	73

Twelve employees passed away during the period, all due to non-work-related causes. Terminations totalled 73, comprising three medical boardings, 44 retirements, and only three resignations.

SECTION 3: EMPLOYMENT EQUITY

Staff Demographics

Of the 4 592 staff currently employed at Pikitup, 99.0% are African, 0.3% are White, 0.1% are Indian, and 0.7% are Coloured. Female staff comprise 54% of the total staff. Management and professionally qualified staff make up 2.2% of the total, while unskilled staff account for 51% . A recent recruitment drive at operations improved the employment equity (EE) alignment within the workforce profile in terms of race and gender at the skilled and semi-skilled occupational levels.

Table 58: Staff Demographic by Race and Gender

Occupational Level	Male				Female				Total Employees	% of Total Staff
	A	C	I	W	A	C	I	W		
Top management	3	0	0	0	3	0	0	0	6	0.1%
Senior management	7	0	0	1	5	0	0	0	13	0.3%
Professionally qualified	37	1	1	6	36	3	1	1	86	1.9%
Skilled technical	119	4	0	3	119	2	1	0	248	5.4%
Semi-skilled	1 446	12	0	0	419	4	0	1	1 882	41%
Unskilled	479	0	0	0	1873	5	0	0	2 357	51%
Total per demographic	2 091	17	1	10	2 455	14	2	2	4 592	



The workforce includes 193 employees aged 61–65, 1 719 aged 41–50, and 135 aged 21–30. Pikitup should fill vacant positions resulting from terminations with individuals from the 21–30 age group to promote youth employment.

Figure 32: Overall Staff per Age Group

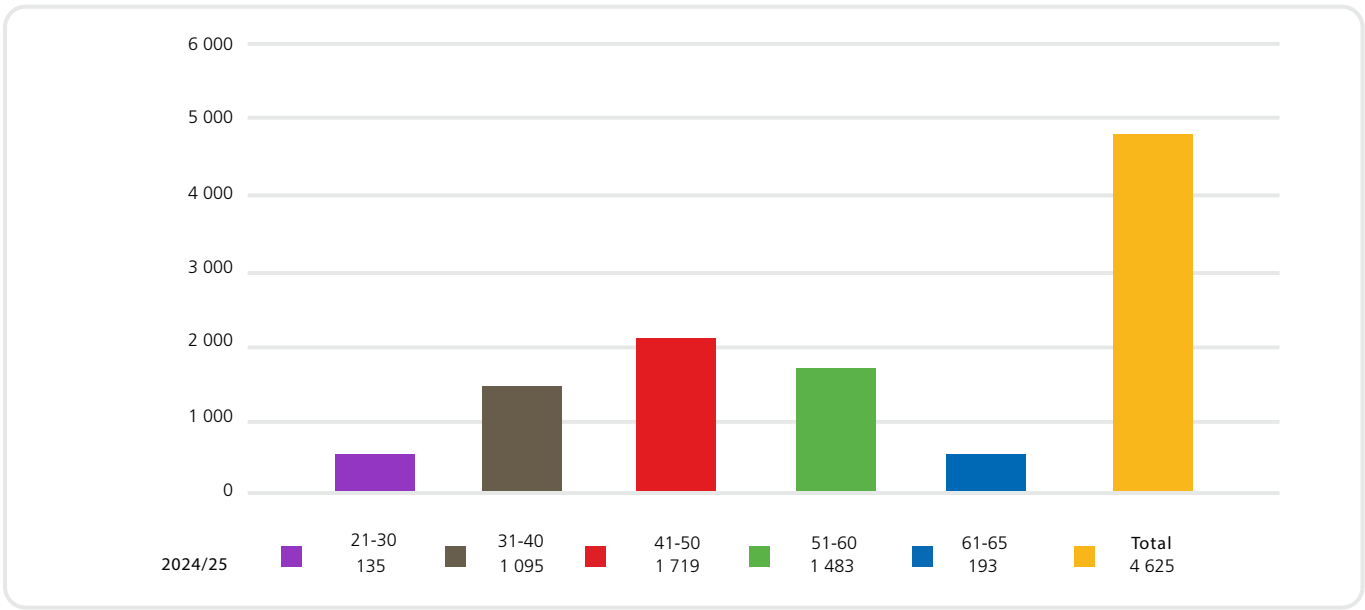
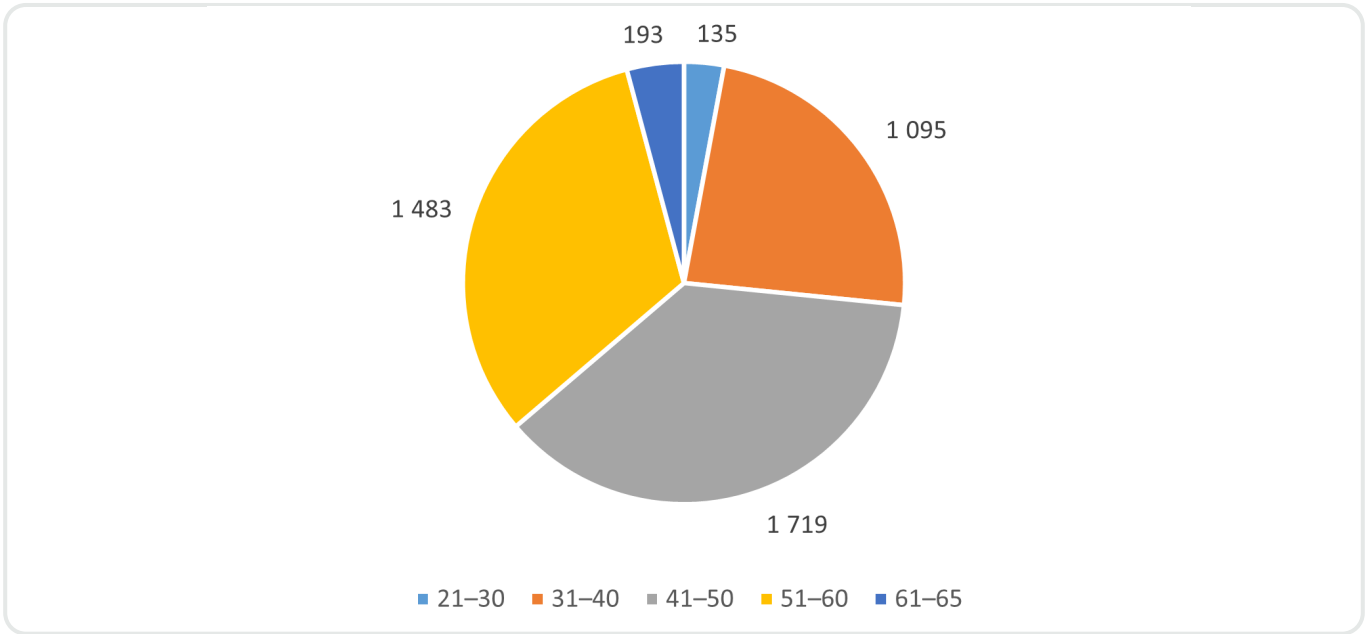


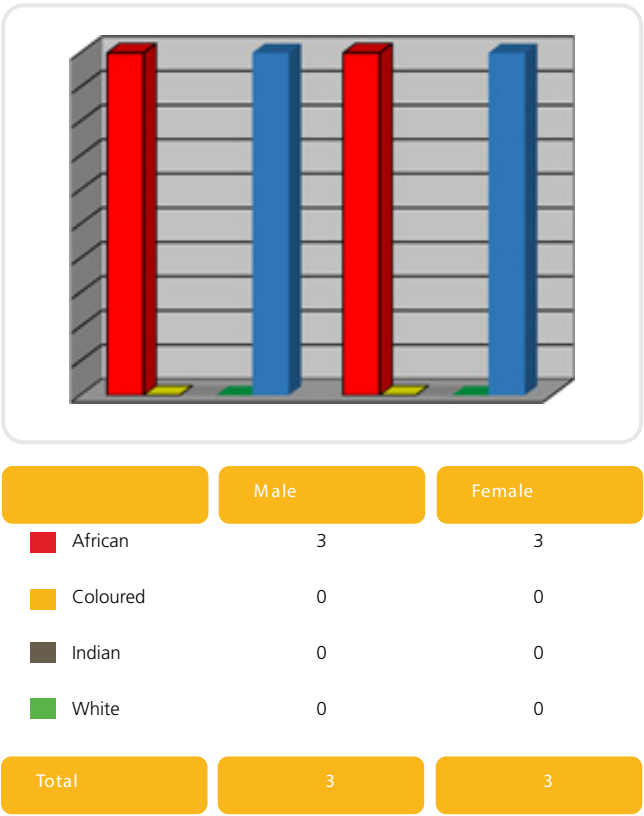
Figure 33: Age Analysis of Staff



During the period under review, the top management level comprised only six employees – three males and three females, all African. The absence of other racial groups at this level necessitates their consideration when appointments are made in this category.

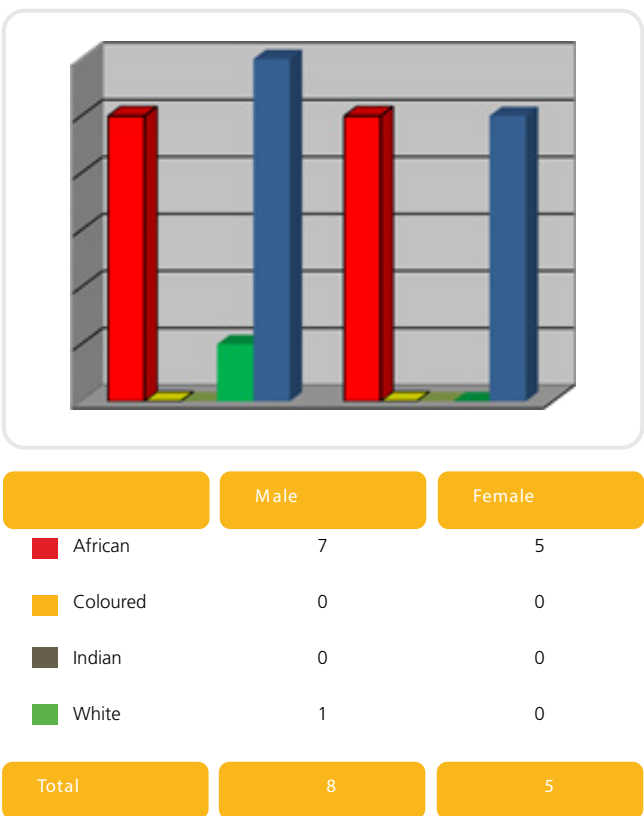
During the period under review, the top management level comprised only six employees – three males and three females, all African. The absence of other racial groups at this level necessitates their consideration when appointments are made in this category.

Figure 34: Analysis of Top Management by Race and Gender



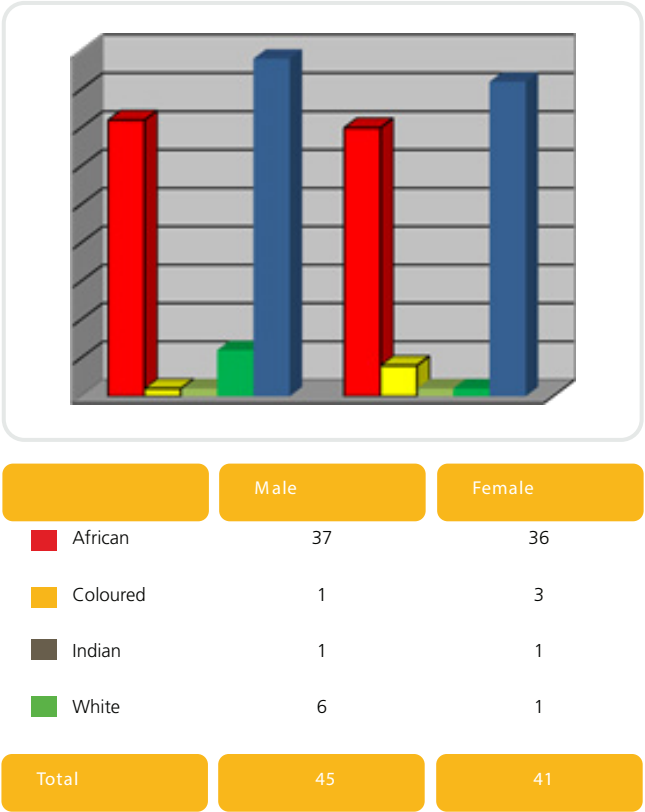
During the period under review, the senior management level comprised 13 employees – seven males and five females. Twelve were African and one was White. The lack of representation from other racial groups at this level warrants consideration when appointments are made in this category.

Figure 35: Analysis of Senior Management by Race and Gender



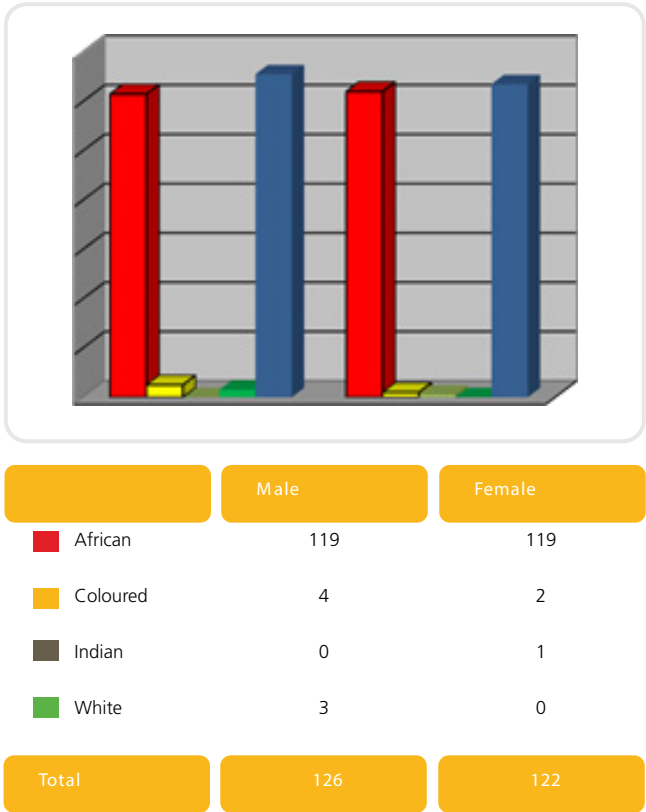
The professionally qualified category comprised 45 males (37 African) and 41 female employees (36 African). Minimal representation from Coloured, Indian, and White racial groups necessitates their consideration when filling future positions in this category.

Figure 36: Analysis of Professionally Qualified Staff by Race and Gender



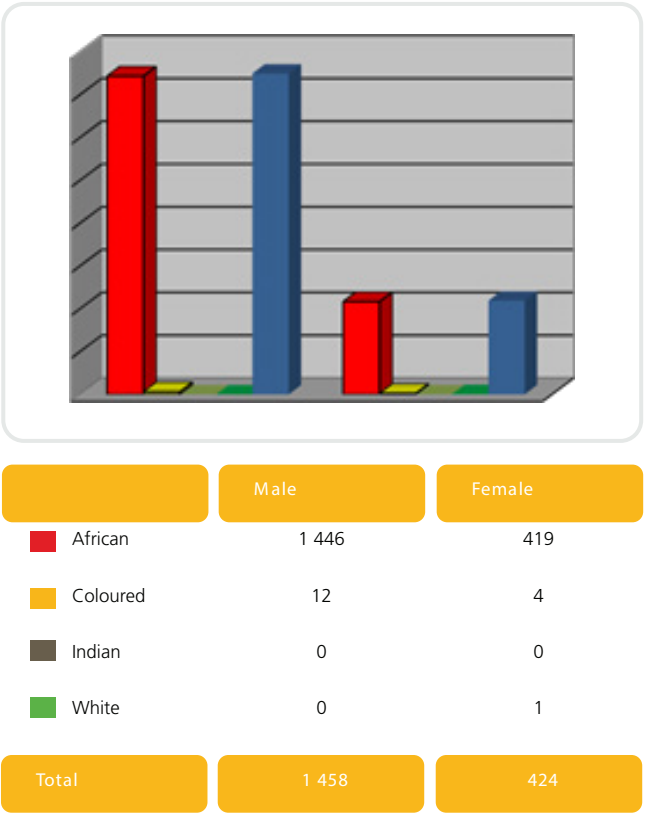
In the skilled technical category, African employees comprised 126 males and 122 females. Minimal representation from Coloured, Indian, and White racial groups necessitates the consideration of race and gender when filling future positions.

Figure 37: Analysis of Skilled Technical Staff by Race and Gender



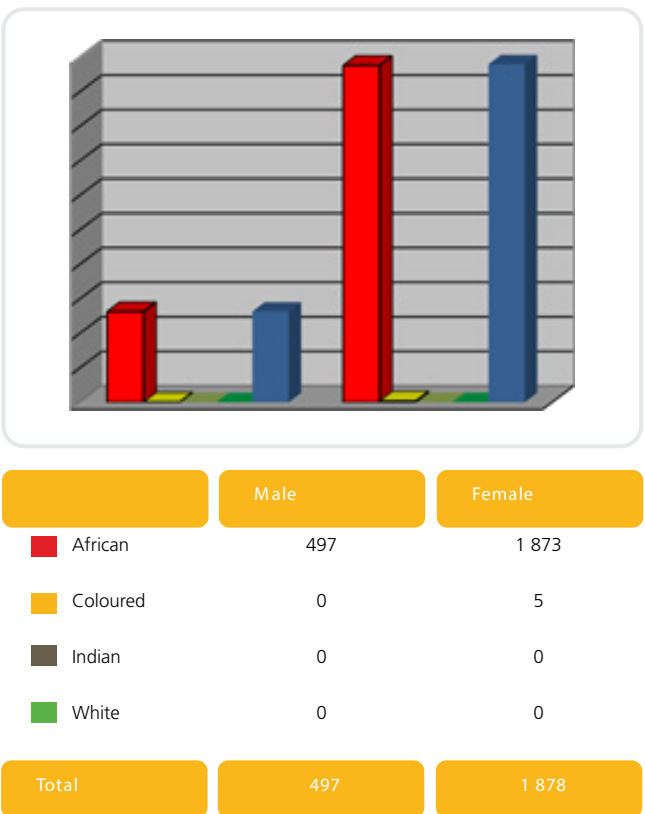
In the semi-skilled technical category, Coloured, Indian, and White racial groups remain under-represented. Future appointment must consider race and gender to address these imbalances.

Figure 38: Analysis of Semi-Skilled Technical Staff by Race and Gender



The unskilled technical category comprised 479 male and 1 878 female employees, all of whom are African. As other racial groups have no representation at this level, future appointments must consider race and gender to achieve a more diverse workforce.

Figure 39: Analysis of Unskilled Technical Staff by Race and Gender



Employment equity demographics summary

Pikitup’s employment equity statistics reflect a disproportionately high representation of African staff at all levels. While women maintain fair representation fairly across most levels, gaps remain in the senior management and semi-skilled categories.

Future appointments must address the imbalances reflected in Table 60, through recruitment measures that increase diversity across all levels. Specifically, Pikitup must prioritise the appointments of women in senior management and semi-skilled positions.

Table 59: Workforce Profile in Terms of Race and Gender

African Male	African Female	Coloured Male	Coloured Female	Indian Male	Indian Female	White Male	White Female
46%	53%	0.4%	0.3%	0.02%	0.04%	0.2%	0.04%

People living with disabilities

The national target for people living with disabilities is 3% of total staff; Pikitup records 1.7%, This shortfall may result from staff not declaring their disability status. Disability awareness programmes in the next financial year will encourage employees to declare and be fully informed about disability rights.

Employment Equity Implementation Plan

Pikitup is currently developing a five-year EE Plan in consultation with the EE and Skills Development committees. These committees possess training in developing departmental EE plans, which will eventually form part of the overall Pikitup EE Plan. Pikitup seeks to meet established EE targets and align them with the provincial economically active population.

An EE senior manager, as required by Section 20 of the Employment Equity Act 55 of 1998 (EE Act), was appointed and is committed to implementing and complying with the Act in the workplace. In addition, EE committees now exist in all the depots, with a central EE committee subsequently formed to drive and monitor the progress of Pikitup’s transformation.

The annual EE report, due on 15 January 2025, was submitted to the Department of Employment and Labour. The consultation process with all stakeholders, including labour, is complete. Employment Equity performance measures will be included in line managers’ scorecards for 2024/25.

SECTION 4: SKILLS DEVELOPMENT AND TRAINING

The 2024/25 Workplace Skills Plan (WSP) was submitted to the Local Government Sector Education and Training Authority (LGSETA) on 30 April 2024 (Quarter 4) and approved. The appointment of a panel of 19 training providers was concluded to offer various training programmes.

Skills Development

Skills development is a key component of Pikitup’s Talent Management Strategy and is fundamental to enabling transformation, as well as upskilling and advancing designated groups. To maximise the impact of Corporate Services (CS) objectives, and to ensure the quality of the entity’s future talent pipeline, CS has adopted an approach of developing skills both internally and externally by encouraging employees to further their studies using accredited institutions.

The WSP for 2025/26 was submitted to and approved by the LGSETA. A skills audit was subsequently conducted for senior management, middle management, and C-level employees. A 360-degree skills audit conducted by the CoJ identified the existing skills gap.

Following this, CS is conducting skills needs analyses with each department to determine necessary skills. The skills and bursary system will align with and prioritise organisational needs.

Subsidised Education (Bursaries)

Three employees are currently enrolled at recognised educational institutions to pursue higher education on a sponsored basis.

Table 60: Summary of Subsidised Education and Bursary Allocations

Occupational Level	No. of Employees	Male	Female	Qualifications	Financial Implication
B Band	1	0	1	National Diploma, Postgraduate Diploma	R31 260,00
C Band	2	0	2	Higher Certificate, National Diploma, Postgraduate Diploma	R62 725,00
Total	3	0	3	Qualifications	R93 985,00

Professional Bodies

The HR function is at the heart of all organisations in ensuring the achievement of business goals. The South African Board for People Practices (SABPP) professionalises the HR function to ensure that HR remains a recognised and respected profession.

Currently, six employees are registered with SABPP, and one is registered with the Association for Skills Development in South Africa. The registration or affiliation of the remaining HR employees is underway. In addition, Pikitup employs an Occupational Medical Practitioner who is affiliated with the Health Professions Council of South Africa, while the company's six Occupational Health Nurse Practitioners are affiliated with the South African Nursing Council. Employee Assistance Programme Practitioners are affiliated with South African Council for Social Service Professions.

Work Integrated Learning Programme

The Work Integrated Learning Programme is an intervention by Pikitup aimed at addressing the growing demand from educational institutions for their students to gain on-the-job exposure, either as a prerequisite to obtaining an academic qualification or as a requirement after acquiring one.

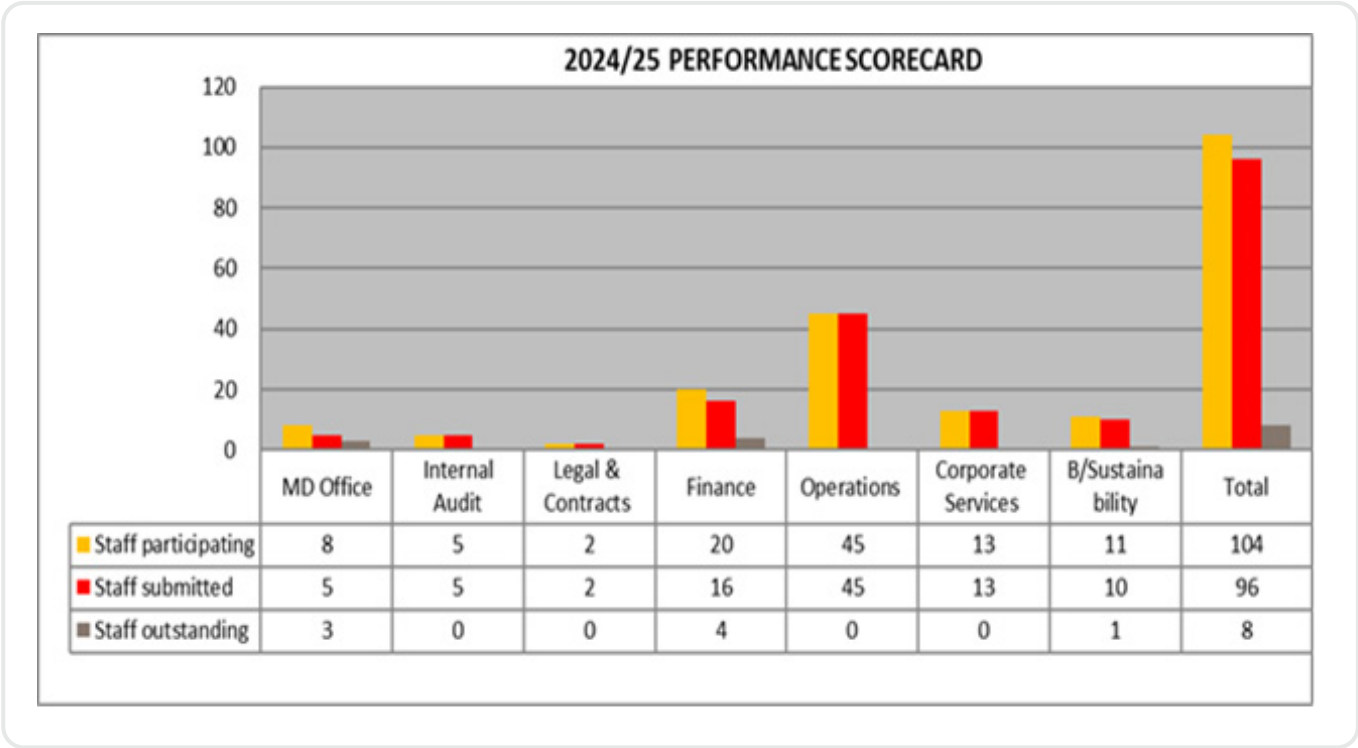


SECTION 5: PERFORMANCE MANAGEMENT

Annual Performance Reviews – 2024/25

Of the 104 management employees participating in performance management in the 2024/25 financial year, 96 have submitted their scorecards, reflecting a compliance rate of 92%.

Figure 40: Performance Scorecard Compliance – 2024/25



SECTION 6: DISCIPLINARY MATTERS AND OUTCOMES

Pending Labour Court Cases

The cases listed in Table 61 are still pending at various dispute resolution forums.

Table 61: Disciplinary Cases of High-Level Employees

Employee SAP Number	Nature of Infringement	Status Update
10041713	Driving a company vehicle without a valid license and subsequently causing an accident	The disciplinary hearing has concluded; the outcome from the presiding officer is pending.
10041712	Absenteeism	The employee was issued with a final written warning.
10042122	Absenteeism	The employee was issued with a final written warning.
10039808	Absenteeism	The employee was issued with a final written warning.
10042122	Stealing uniform (pleaded guilty)	The employee was issued with a final written warning.
1004113	Absenteeism	The employee was issued with a final written warning.
1004112	Misuse of company vehicle	The employee was issued with a written warning.
10041895	Unauthorised removal of items belonging to the public from a landfill site and the transport of such goods in a company vehicle	The case was postponed to 22 July 2025
10041136	Latecoming and absenteeism	The employee was issued with a final written warning.
10042122	Stealing uniform (pleaded guilty)	The employee was issued with a final written warning.

SECTION 7: LEAVE AND PRODUCTIVITY MANAGEMENT

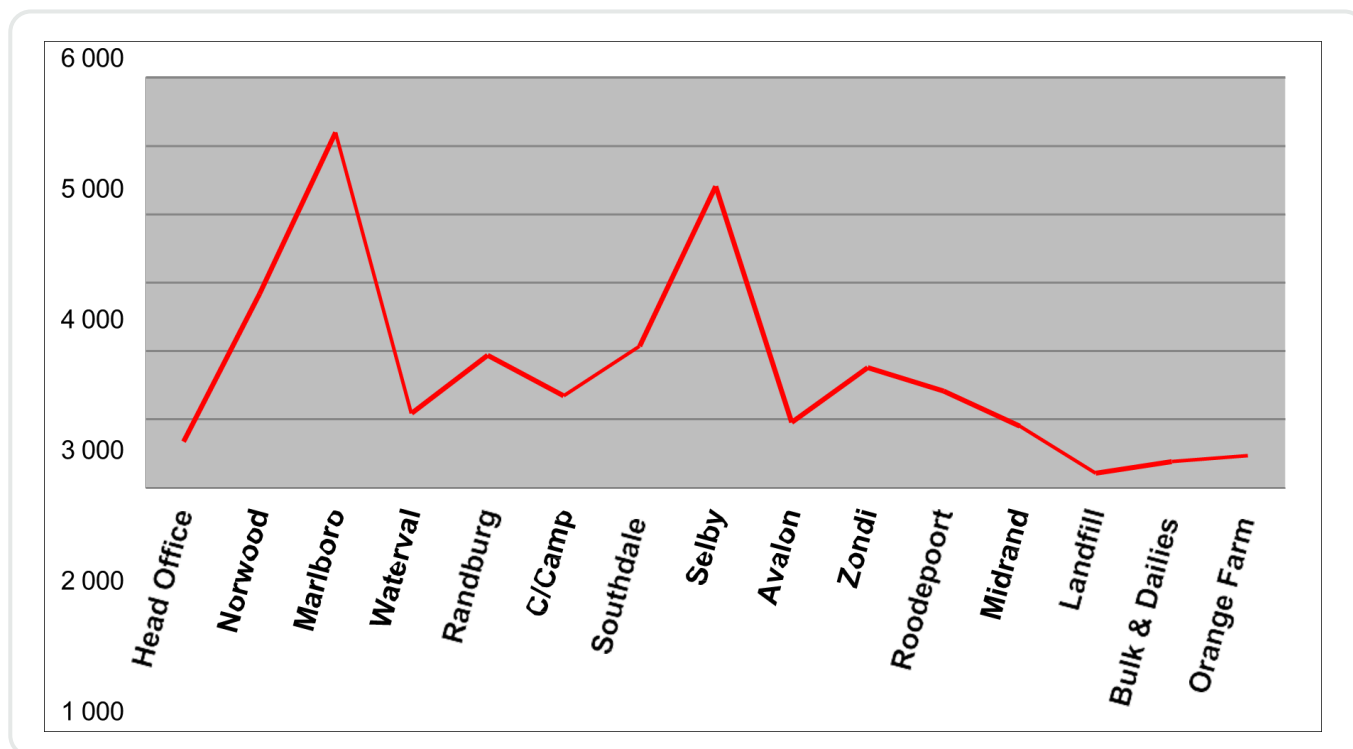
Leave Analysis

During the year under review, the depots utilised more leave days than in previous years. Quarter 1 recorded the highest sickness absence days, followed by Quarter 4, with the Selby depot reporting the highest usage compared to all other depots.

Within the depots, the RCR division (loaders) took more sick leave days than street sweepers. This trend may be attributed to the physically demanding nature of their work. Consequently, loaders are more likely to take sick leave rather than normal annual leave for resting.

For monitoring and control, as well as mitigating the risk of abuse of sick leave, line managers require employees to produce a medical certificate, even for one day, as opposed to three days stipulated in the policy. Where a consistent pattern of, or suspicion of, sick leave abuse is noted, an employee wellness intervention is implemented to address the root cause. The Employee Wellness Unit has begun investigating the high rate of sick leave absenteeism at the depots.

Figure 41: Sickness Absenteeism (Days Taken)



Overtime Analysis

In 2024/25 financial year, the highest rate of overtime was at Selby depot, as its employees are required to work on Saturdays and Sundays to maintain the cleanliness of the Inner City. The overtime amount captured for the Selby depot in the year under review is R50 891 097,48. The total amount of overtime captured in the 2024/25 financial year is R220 017 077,55.

Pikitup faces a challenge where overtime is often viewed as a salary augmentation; consequently, HR provides continuous financial management training to depots to improve employees' financial health. The main purpose of this programme is to assist employees in managing their finances to reduce absenteeism and reliance on overtime due to financial problems. The management of debt requires a concerted effort from key stakeholders, including HR, Operations, Employee Wellness, and organised labour.

The HR department, in collaboration with Operations, seeks remedies to minimise existing overtime costs. As HR is responsible for monitoring these expenditures, the Department presented a comprehensive overtime analysis to EXCO and the HR subcommittee of the Board.

The presentation covered the following:

- Internal and external reasons for overtime
- Citizens' behaviour
- Inner-City growth
- New developments and areas
- Pikitup fleet condition
- Reduced landfill capacity

Recommendations highlighted included:

- Undertaking re-engineering and time-motion studies
- Ensuring the budget for trucks and maintenance costs remains intact
- Addressing employee fatigue and the abuse of sick leave through work classifications
- Implementing effective time and attendance systems
- Conducting an age group analysis of general workers.

A detailed overtime analysis for the 2024/25 financial year is reflected in Table 62.



Table 62: Overtime Analysis – 2024/25

Overtime Payment for All Depots February 2023	Overtime Paid Q1	Employees Worked Overtime Q1	Hours Worked Q1	Overtime Paid Q2	Employees Worked Overtime Q2	Hours Worked Q2	Overtime Paid Q3	Employees Worked Overtime Q3	Hours Worked Q3	Overtime Paid Q4	Employees Worked Overtime Q4	Hours Worked Q4	Total
Garden Sites	R660 141,94	38	3 084	R742 100,83	38	3 121	R536 004,14	36	1 861	R601 592,39	36	2 572	R2 539 839,30
Operations (Head Office)	R794 814,08	37	3 286	R761 592,12	37	2 863	R633 810,73	35	2 043	R721 213,85	34	2 794	R2 911 430,78
Norwood	R3 098 957,51	325	19 200	R3 431 154,38	323	18 879	R2 777 984,83	354	1 2714	R3 699 433,36	341	21 612	R13 007 530,08
Marlboro	R463 458,90	402	31 175	R49 973 710,68	397	29 978.5	R3 724 973,15	407	18 461	R4 844 355,83	406	30 458	R59 006 498,56
Bulk and Dailies	R1 387 865,00	85	7 946	R1 397 028,00	83	7 252	R813 913,08	81	3 920	R1 473 407,72	81	7 804	R5 072 213,80
Waterval	R1 842 362,41	170	10 910	R1 913 492,46	171	10 241	R1 564 053,75	181	6 842	R1 766 587,55	179	10 268	R7 086 496,17
Randburg	R3 235 716,07	457	21 759	R3 350 167,83	287	20 524	R2 219 738,74	299	12 547	R3 636 165,01	295	23 350	R12 441 787,65
Central Camp	R1 847 589,47	187	1 102	R1 966 851,93	189	10 364	R1 418 322,33	217	6 355	R2 113 204,00	207	12 415	R7 345 967,73
Southdale	R2 726 973,82	202	15 372	R3 032 889,08	202	15 310	R2 219 089,00	198	8 679	R2 468 433,80	216	13 275	R10 447 385,70
Selby	R12 031 562,08	873	80 145	R13 920 320,30	876	83 428	R11 276 439,93	890	54 998	R14 941 334,70	886	93 221	R52 169 657,01
Avalon	R1 504 031,61	186	9 800	R1 676 880,20	191	9 789	R1 286 897,44	209	6 148	R2 047 945,60	212	13 012	R6 515 754,85
Zondi	R2 853 051,14	512	19 329	R3 037 002,51	518	18 415	R2 498 498,76	506	13 064	R3 681 849,63	505	23 009	R12 070 402,04
Roodepoort	R3 024 883,85	318	19 029	R3 363 472,94	319	19 154	R2 335 532,57	331	11 788	R3 716 344,60	343	22 017	R12 440 233,96
Midrand	R2 832 410,82	262	17 254	R3 097 684,66	262	16 630	R2 214 862,42	277	9 910	R3 218 380,10	276	18 263	R11 363 338,00
Landfill	R751 185,95	37	3 739	R702 220,50	37	3 076	R834 342,78	52	3 505	R767 288,71	51	3 327	R3 055 037,94
Orange Farm	R597 870,57	125	3 916	R665 687,53	130	3 848	R494 168,16	136	2 417	R785 777,72	131	5 001	R2 543 503,98
Total Paid	R39 652 875,22	4 216	267 046	R93 032 255,95	4 060	272 872.5	R36 848 631,81	4 209	175 252	R50 483 314,57	4 199	302 398	R220 017 077,55

In the 2024/25 financial year, the entity spent R220 017 077,55 on overtime. Overtime payments for Selby were the highest at R52 169 657,01. Garden sites recorded the lowest overtime costs, totalling R2 539 839,30 overtime paid. The following factors necessitated overtime expenditure:

- The National and Provincial Election Day
- Clean-up campaigns
- Backlog recovery interventions to clean the City during or after community and worker protests
- Seven-day and six-day work week requirements

SECTION 8: EMPLOYEE BENEFITS

Employee Work Packages

The annual total guaranteed package is the annual cash package and the employer contributions to employee benefit funds (retirement, medical, and group life), expressed in annual terms as follows:

1	Cash Package	= Basic Salary + Allowances (travel, housing, entertainment, and cell phone) + Guaranteed annual bonuses as applicable (13th cheque)
2	Total Guaranteed Package	= Cash Package + Employer contributions (medical aid, retirement, and group life)
3	Total Cost to Employer	= Total Guaranteed Package + Inconvenience pay (overtime, standby, and night work/shift) + Short-term incentives + Union subscriptions + Employer Contributions (statutory, e.g., UIF)

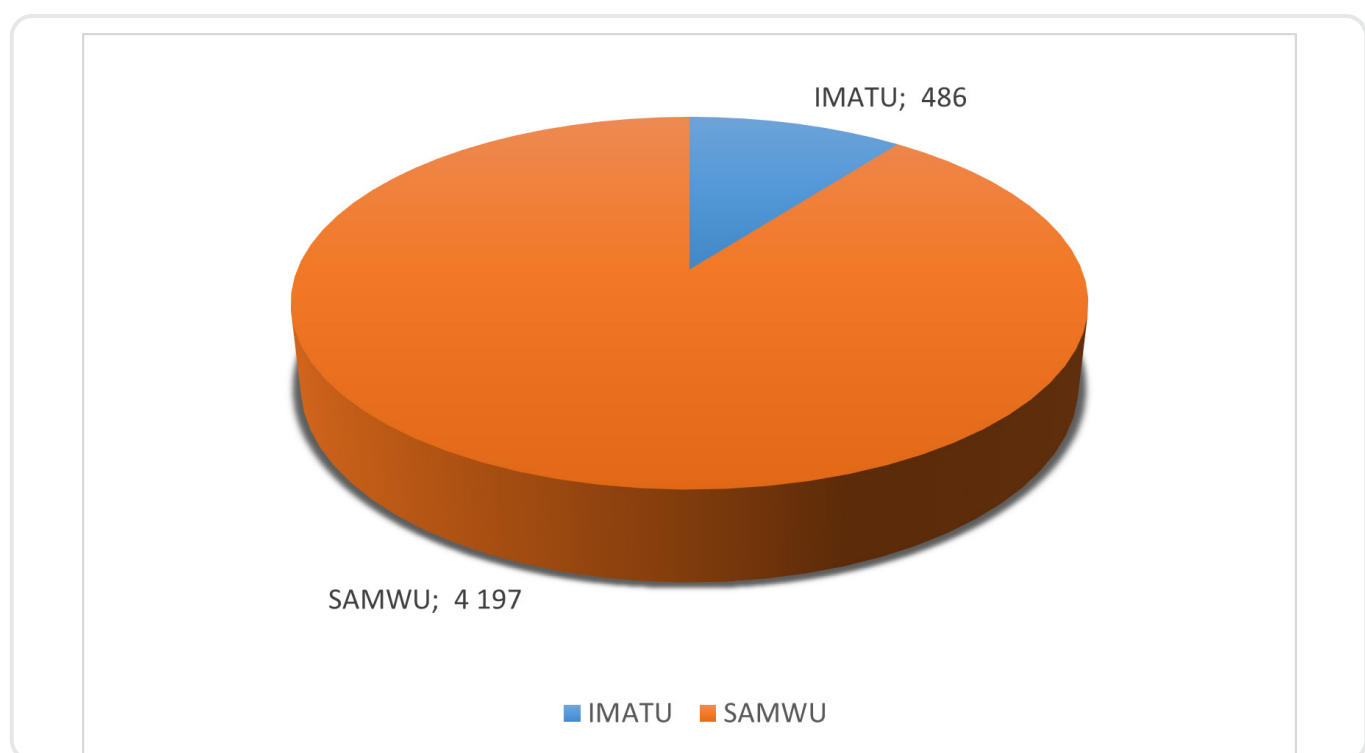
Employee Wellness Services

Pikitup offers comprehensive, worksite-based employee wellness programmes, delivered both in-house and through external service providers. Employees have access to a confidential wellness service 24 hours a day, 365 days a year, which provides support through health and wellness interventions. While this service primarily helps employees address challenges that may impact service delivery, it also extends to immediate family members to provide a holistic and inclusive intervention.

Union Membership

Pikitup recognises two unions as representatives of its employees. Overall, 486 employees affiliate with the Independent Municipal and Allied Trade Union (IMATU), while the South African Municipal Workers Union (SAMWU) represents 4 197 employees.

Figure 42: Employee Union Membership



Employee Self-Service

Pikitup is among the first entities to roll out Employee Self-Service (ESS), including electronic leave management, as part of the City's SAP Business Transformation Programme. Leave books will soon be phased out and replaced with electronic capturing of leave on the system. The ESS will

enable employees to view their payslips online. Regarding time management, the system allows employees to apply for and cancel leave online. Employees can also view their leave balances online.

The IT department has installed kiosks at the depots to enable depot employees to retrieve their payslips and apply for leave on the system. In addition, general workers are now loaded onto the system and can access their payslips online.

SECTION 9: OCCUPATIONAL HEALTH AND SAFETY

Incidents

Disabling injury frequency rate

The annual total guaranteed package is the annual cash package and the employer contributions to employee benefit funds (retirement, medical, and group life), expressed in annual terms as follows:

$$\text{DIFR} = \frac{\text{number of work accidents} \times 200\,000}{160 \times \text{staff complement}}$$

All recorded incidents – primarily medical treatment cases – resulted in lost time, contributing towards the overall DFIR calculation. Education and training remain key measures to ensure that Pikitup employees are made aware of the hazards in their working environment. The majority of incidents in the 2024/25 financial year were slip- and fall-related, predominantly involving newly appointed employees.

Number of incidents recorded

The total number of disabling injuries recorded during the 2024/25 financial year was 47, based on an average staff complement of 4 902 employees. The annual average DIFR is 0.9 which is below the target of 2.5 for the financial year.

Table 63: Number of Recorded Disabling Injuries per Quarter – 2024/25

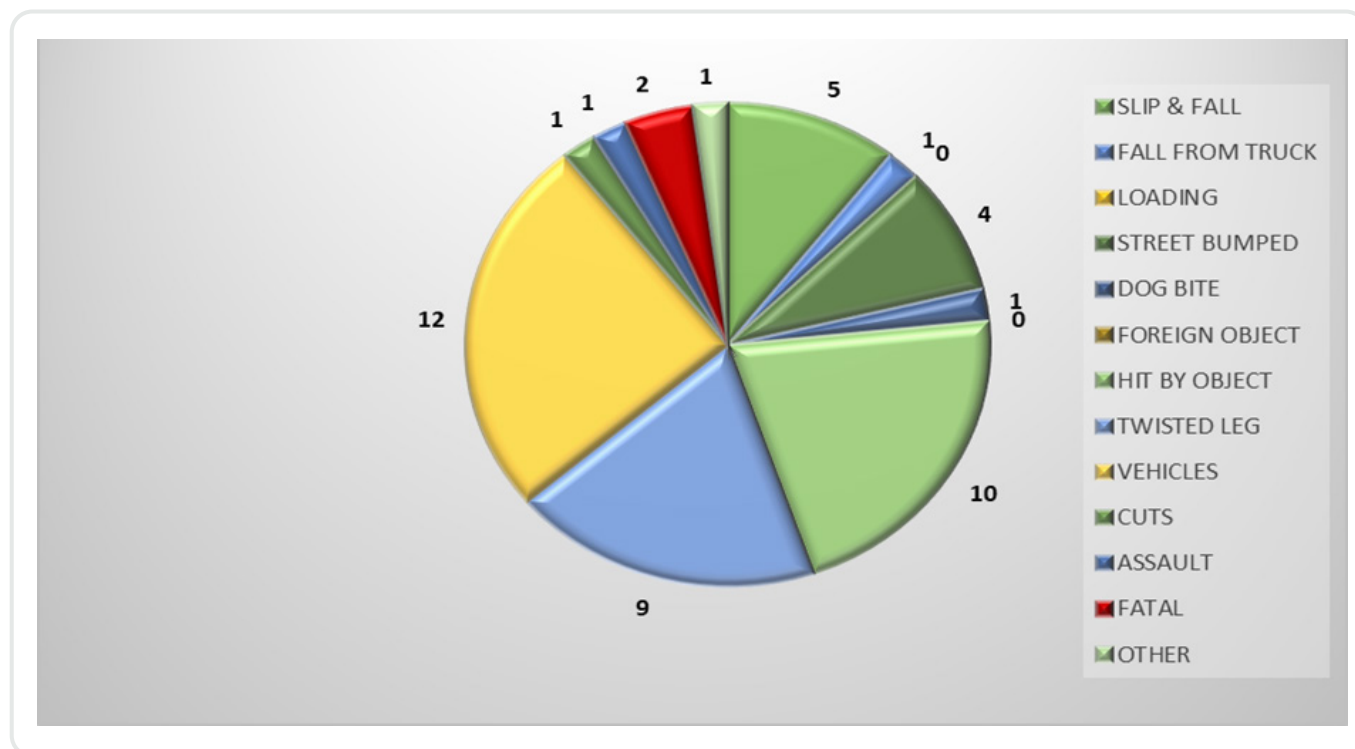
Quarter 1 (2024/25)	Quarter 2 (2024/25)	Quarter 3 (2024/25)	Quarter 4 (2024/25)	Total (Annual 2024/25)
19	9	13	6	47

A strategic plan was developed in 2024/25 to reduce disabling injuries within the entity to zero. Targets were set for the frequency rate. While the target of zero was not achieved, most depots recorded a marked decrease in overall incidents and injuries. To support continued and realistic improvement, a target has been set to reduce incidents by 10% against actual figures in the current year.

Trend per injury type

Throughout 2024/25, monthly toolbox talks were distributed to all depots with the aim of strengthening safety leadership awareness. These talks covered a wide range of topics, including operational safety instructions, SHEQ awareness campaigns, and Zero Harm campaigns.

Figure 43: Distribution of Incidents by Injury Type – 2024/25



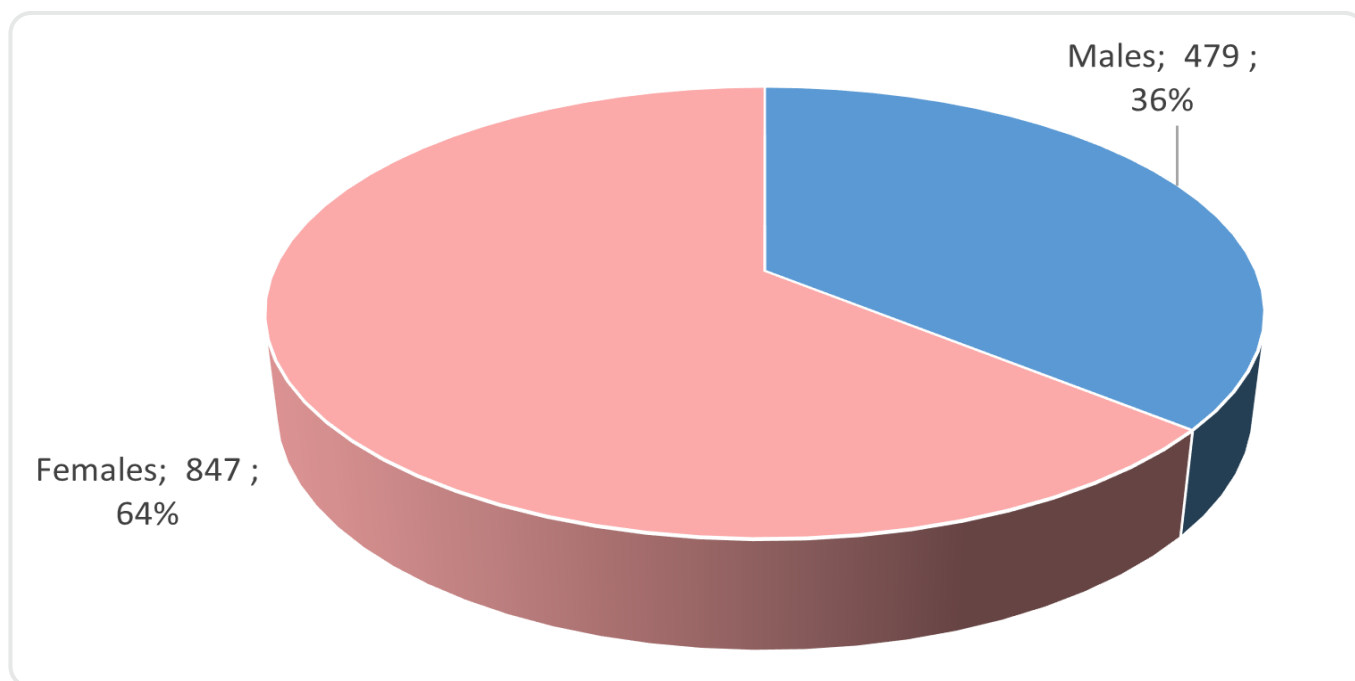
Occupational Health Care Services Employee Wellness

A total of 1 326 employees participated in the occupational health programme. Respiratory, musculoskeletal, ear, nose, and throat (ENT), central nervous system and gastrointestinal issues remain the top five reasons for service utilisation.

Figure 44: Top Five Medical Conditions



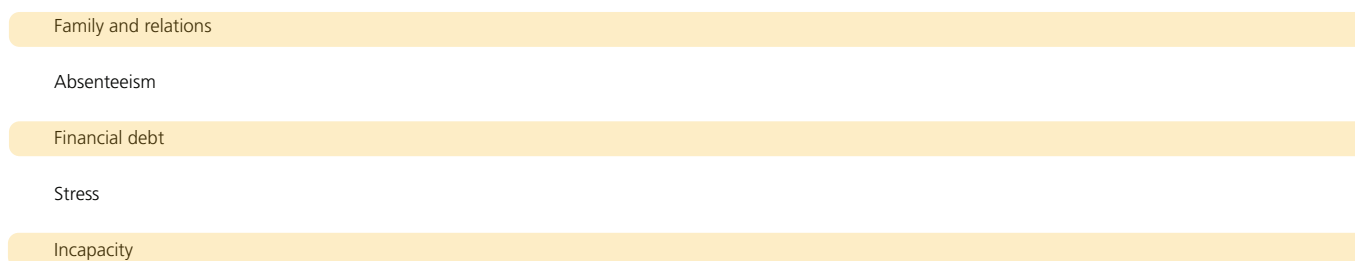
Figure 45: Occupational Health Care Programme Participation by Gender



Utilisation of Employee Assistance Programme services

Employee Assistance Programme (EAP) utilisation refers to the number of activities but not individual employees (one employee may have more than one activity). There were 1 795 EAP consultations. Family relations, financial debt, stress, substance abuse and absenteeism-related problems remain the top five reasons for service utilisation.

Figure 46: Top Five Presenting Psycho-Social Issues



SECTION 10: CORPORATE SOCIAL RESPONSIBILITY

Debt Management Implementation Programme

The Debt Management Implementation Programme monitors and manages employees' debt and financial challenges – consistently ranked among Pikitup's top three psychosocial issues. Success requires a concerted effort from all internal stakeholders, including organised labour, operations, and HR, as well as external stakeholders.

The programme's interventions operate across three levels:

- **Micro level:** Face-to-face consultations conducted by internal Employee Assistance Practitioners
- **Meso level:** Awareness campaigns and projects for specific groups or entire depots, based on continuous statistical analysis
- **Macro level:** System or policy changes implemented through the Financial Management Forum to drive organisational change.

Financial Management Forum

The Financial Management Forum equips employees with the skills and knowledge necessary to make informed financial decisions. Forum meets monthly to monitor progress on interventions initiated by Employee Wellness.



Pre-retirement Support Programme

The Pre-Retirement Support Programme capacitates employees nearing retirement on essential matters, including pension payouts, tax, medical aid, and internal HR processes. Representatives from various pension funds provide member education to ensure a smooth transition.

The workshop objectives seek to:

- Prepare employees for financial and psychosocial independence following retirement
- Promote optimal ageing
- Raise awareness of HR documentation requirements for pension applications
- Support a dignified and informative transition for retirees
- Demonstrate Pikitup's commitment as a caring employer

During the period under review, 70 employees aged 62–64 attended the workshop. Presentations covered SARS requirements, psychosocial adjustment, age-related medical conditions, and estate planning. Retirees engaged directly with stakeholders and pension fund representatives during face-to-face sessions.

First Home Subsidy Project

Pikitup partnered with the National Housing Finance Corporation, under the Department of Human Settlements, to launch the First Home Finance housing programme. The programme addresses the "gap market" – employees who earn too much to qualify for RDP housing but too little to secure traditional This initiative followed depot roadshows where the Pikitup Managing Director identified significant barriers to homeownership for staff in this income bracket.

16 Days of Activism against Gender-Based Violence Campaign

The global 16 Days of Activism against Gender-Based Violence is an international campaign calling for an end to violence against women and girls. It runs annually from 25 November to 10 December.

Gender-based violence remains a systemic global crisis affecting one in three women. In support of this campaign, Pikitup Employee Wellness and the SAPS conducted awareness sessions at all depots and Head Office.

The 2024 theme was “UNiTE! Invest to Prevent Violence against Women and Girls”. Employees were encouraged to:

- Report rather than protect abusers
- Challenge cultural practices that perpetuate gender inequality
- Seek help for harmful behaviours, including substance abuse
- Actively participate in preventing violence against women and children



CHAPTER FIVE: FINANCIAL PERFORMANCE AND EXPOSURE

Stakeholders Impacted: Shareholder,
Customers

Strategic Goal 5: Building an
efficient, effective, and viable waste
management company



SECTION 1: STATEMENT OF FINANCIAL POSITION

Table 64: Statement of Financial Position as at 30 June 2025

Pikitup Johannesburg SOC Limited

(Registration number 2000/029899/07)

Trading as Pikitup

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Position as at 30 June 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	10	10 896 214	13 300 896
Other inter-company receivables	11	664 479 116	89 543 797
Receivables from non-exchange transactions	12	108 736 245	62 297 285
Receivables from exchange transactions	13	1 298 983 719	1 294 619 388
Other receivables	7	17 923 044	14 750 547
Inter-company receivables	9	2 057 485 806	1 594 968 383
Cash and cash equivalents	14	1 380 272	16 328 665
		4 159 884 416	3 085 808 961
Non-Current Assets			
Property, plant and equipment	3	1 059 602 195	805 912 884
Intangible assets	4	2 344 630	266 586
Employee benefit asset	6	160 646 760	153 127 528
Inter-company- Receivables	8	1 089 691 503	1 073 307 448
		2 312 285 088	2 032 614 446
Total Assets		6 472 169 504	5 118 423 407
Liabilities			
Current Liabilities			
Finance lease obligation	16	56 020 000	11 794 071
Payables from exchange transactions	19	2 085 489 192	1 519 384 569
Payables from non-exchange transactions	20	66 431 136	122 083 420
Provisions for performance bonus	17	13 914 553	12 952 048
Inter-company - liabilities	18	2 394 854 856	1 506 251 283
		4 616 709 737	3 172 465 391
Non-Current Liabilities			
Loans from shareholders	5	1 182 708 218	1 183 847 830
Finance lease obligation	16	171 431 095	53 557 035
Employee benefit obligation	6	56 571 000	56 133 000
Provisions	17	824 559 143	801 889 095
		2 235 269 456	2 095 426 960
Total Liabilities		6 851 979 193	5 267 892 351
Net Assets /(Liability)		(379 809 689)	(149 468 944)
Share capital / contributed capital	15	1 000	1 000
Owners Contribution		43 001 808	43 001 808
Accumulated surplus/(deficit)		(422 812 495)	(192 471 744)
Total Net Assets/(Liabilities)		(379 809 687)	(149 468 936)

SECTION 2: STATEMENT OF FINANCIAL PERFORMANCE

Table 65: Statement of Financial Performance

Pikitup Johannesburg SOC Limited

(Registration number 2000/029899/07)

Trading as Pikitup

Annual Financial Statements for the year ended 30 June 2025

Statement of Financial Performance

	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions			
Service charges	22	2 944 744 734	2 841 635 934
Other revenue	21	3 566 372	1 156 653
Interest income	24	153 946 750	147 666 172
Total revenue from exchange transactions		3 102 257 856	2 990 458 759
Revenue from non-exchange transactions			
Transfer revenue			
Government grants & subsidies	25	1 360 089 072	1 251 361 072
Levies	26	276 912 742	239 430 031
Total revenue from non-exchange transactions		1 637 001 814	1 490 791 103
Total revenue	21	4 739 259 670	4 481 249 862
Expenditure			
Employee related costs	27	(1 823 590 521)	(1 603 759 882)
Depreciation and amortisation	28	(95 884 304)	(84 534 569)
Finance costs	29	(154 383 912)	(173 122 099)
Lease rentals on operating lease	23	(9 382 461)	(10 559 059)
Debt Impairment	30	(988 392 658)	(631 085 942)
Fleet cost	31	(1 470 077 961)	(1 273 478 579)
General Expenses	32	(427 888 602)	(498 650 796)
Total expenditure		(4 969 600 419)	(4 275 190 926)
(Deficit) surplus for the year		(230 340 749)	206 058 936

SECTION 3: CASH FLOW STATEMENT

Table 66: Cash Flow Statement

Pikitup Johannesburg SOC Limited

(Registration number 2000/029899/07)

Trading as Pikitup

Annual Financial Statements for the year ended 30 June 2025

Cash Flow Statement

	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		1 081 702 620	1 240 451 725
Grants		1 360 089 072	1 251 361 072
Interest income		153 946 750	147 666 172
Levies		230 473 782	223 121 073
Other cash item		3 566 372	1 156 163
		<u>2 829 778 596</u>	<u>2 863 756 205</u>
Payments			
Employee costs		(944 873 667)	(1 199 530 547)
Suppliers		(1 372 762 632)	(1 554 448 820)
Finance costs		(121 143 364)	(123 791 561)
		<u>(2 438 779 663)</u>	<u>(2 877 770 928)</u>
Net cash flows from operating activities	35	<u>390 998 933</u>	<u>(14 014 723)</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(177 045 379)	(96 784 807)
Purchase of other intangible assets	4	(2 208 300)	-
Inter-company - receivables co]		(183 036 581)	(10 706 402)
Net cash flows from investing activities		<u>(362 290 260)</u>	<u>(107 491 209)</u>
Cash flows from financing activities			
Loan from Shareholder		(43 657 066)	91 339 021
Net increase(decrease) in cash and cash equivalents		<u>(14 948 393)</u>	<u>(30 166 911)</u>
Cash and cash equivalents at the beginning of the year		16 328 665	46 495 576
Cash and cash equivalents at the end of the year	14	<u>1 380 272</u>	<u>16 328 665</u>

The accounting policies on pages 17 to 33 and the notes on pages 34 to 68 form an integral part of the annual financial statements.

SECTION 4: CAPITAL PROJECTS EXPENDITURE

Capex Budget Overview

Pikitup's Capital budget for 2025/25 was initially approved at R254.994 million and later adjusted to R225.994 million.

On 29 May 2025, the Council approved the 2025/26–2027/28 medium-term budget. The Capital budget was approved as outlined in Table 69:

Table 67: Summary of 2024/25 and 2025/26–2027/28 Medium-Term Budget

Source of Funding	Adjusted Budget 2024/25 R'000	Budget 2025/26 R'000	Budget 2026/27 R'000	Resignation
City of Johannesburg – Loan	66 200	260 050	198 615	301 288
Urban Settlement Development Grant (USDG)	159 494	49 595	215 982	188 633
Total	225 694	309 645	414 597	490 920

Detailed Approved Capital Budget

Table 68: Detailed 2024/25 Budget per Project

Project Name – Capital Budget	Project Numbers	Budget 2024/25 R'000	Adjusted Budget 2024/25 R'000
Marie Louise Landfill Site: Improved compliance and alterations	2192	44 704	2 470
Marie Louise Material Recovery Facility.	21658	–	–
Robinson Deep Landfill Site: Improved compliance, alterations, and cell development	2742	48 000	48 000
Goudkoppies Landfill Site: Improved compliance and alterations	2773	36 790	30 000
Kya Sands Landfill Site: Improved compliance and alterations	2783	–	–
Linbro Park Landfill Site: Improved compliance and alterations	3257	20 000	20 000
Ennerdale Landfill Site: Improved compliance, alterations, and cell development	22424	10 000	16 790
Facilities renewal upgrades, including branding and signage	2667	40 000 10 000	40 000 11 264
Waste bulk bins	2188	5 000	5 000

ICT hardware and software	2194	5 000	5 000
Office equipment	6413	500	500
Upgrading of drop-off centres	2740	10 000	10 000
Upgrading and engineering services at Selby Depot	23296	5 000	0
Upgrading and engineering services at Midrand Depot	24039	5 000	0
Construction upgrading and engineering services at Roodepoort Depot	23297	–	–
New fleet (RCR compactors)	23923	15 000	14 436
Total allocated budget		254 994	225 694

Table 69: Summary of Approved Project Budget (Three-Year Forecast)

Project Name	Project Number	Approved Budget 2025/26 R'000	Approved Budget 2026/27 R'000	Approved Budget 2027/28 R'000
Waste receptacles	2188	1 000	1 000	1 000
Marie Louise Landfill Site: Improved compliance and alterations	2192	25 764	17 500	29 000
ICT hardware and software	2194	5 000	4 000	4 000
Facilities renewals and upgrades, including branding and signage	2667	15 000	5 390	–
Separation at Source facilities, including associated plant/equipment	2740	36 310	9 500	–
Robinson Deep Landfill Site: Improved compliance, alterations, and cell development	2742	31 365	34 700	70 583
Goudkoppies Landfill Site: Improved compliance and alterations	2773	18 537	5 000	2 500
Kya Sands Landfill Site: Improved compliance and alterations	2783	10 000	500	500
Linbro Park Landfill Site: Improved compliance and alterations	3257	32 000	2 000	2 000
New plant and equipment	3832	–	–	7 500
Office equipment	6413	2 595	–	1 500
Marie Louise Material Recovery Facility	21658	–	57 000	49 955

Linbro Park IWMF	21664	–	30 688	47 074
Construction of Panorama IWMF	21665	–		27 500
Ennerdale Landfill Site: Improved compliance alterations and cell development	22424	25 000	53 000	2 500
Upgrading and engineering services at Selby Depot	23296	4 236	–	14 500
Construction upgrading and engineering services at Roodepoort Depot	23297	21 000	3 530	3 530
Construction upgrading and engineering services at Zondi Depot	23298	5 000	8 499	17 745
Construction upgrading and engineering services at Orange Farm Depot	23300	–	3 000	3 000
New Fleet	23923	10 000	7 000	40 188
Upgrading and engineering services at Midrand Depot	24039	40 000	–	–
Acquisition of land in Rand Leases (Marie Louise)	31071	–	3 000	3 000
Norwood Depot renovation, additions, and alterations	31073	–	17 667	24 667
Florida Integrated Waste Management Facility	31074	10 750	12 356	13 213
Ballyclare garden site expansion and upgrading	31075	–	9 389	9 542
Woodmead garden site upgrading	31077	16 088	20 000	7 995
Meredale garden site upgrading	31078	–	8 217	2 372
Sandpark IWMF	31079	–	40 100	20 788
Kya Sands IWMF	31088	–	49 192	61 381
Alexandra IWMF	31089	–	12 369	22 390
Total allocated budget		309 645	414 597	489 921



Capital Expenditure: Performance Summary

Total expenditure for invoice receipts up to the end of June 2025 amounts to R174.438 million, which represents 77% of the budget of R225.694 million.

Table 70: Summary of Capital Expenditure by Project for the Financial Year ended 30 June 2025

Project Name	Actual	Accrual	Expenditure as 30 June 2025	Budget	Available
Facilities renewal (CoJ)	5 313 599,56	5 618 240,34	10 931 839,90	11 264 000,00	332 160,10
Facilities renewal (USDG)	19 931 712,29	16 198 788,95	36 130 501,24	40 000 000,00	3 869 498,76
Linbro Park Landfill	4 969 543,56	5 291 031,89	10 260 575,45	20 000 000,00	9 739 424,55
Garden Sites, including associated plant/equipment	5 070 210,58	1 076 342,13	6 146 552,71	10 000 000,00	3 853 447,29
IT Hardware and Software	4 001 806,50	-	4 001 806,50	5 000 000,00	998 193,50
New Fleet (RCR comp	14 168 650,00	-	14 168 650,00	14 436 000,00	267 350,00
Waste Bulk Container	4 885 290,10	-	4 885 290,10	5 000 000,00	114 709,90
Provision of Office	119 691,00	235 650,00	355 341,00	500 000,00	144 659,00
Marie Louise Landfill	3 688 148,82	4 186 448,96	7 874 597,78	24 704 000,00	16 829 402,22
Goudkoppies Landfill	18 501 768,91	6 907 684,22	25 409 453,13	30 000 000,00	4 590 546,87
Ennerdale Landfill	6 162 542,26	5 303 743,95	11 466 286,21	16 790 000,00	5 323 713,79
Robinson Deep Landfill	30 777 046,51	12 030 287,85	42 807 334,36	48 000 000,00	5 192 665,64
TOTAL	117 590 010,09	56 848 218,29	174 438 228,38	225 694 000,00	51 255 771,62
PERCENTAGE EXPENDITURE PER LOAN			77%		

Adjusted Budget for the 2024/25 Financial Year

225 694 000



Project Challenges

Table 71: Challenges and Remedial Action

Challenges	Remedial Action
Delay in payments to service providers: - The following projects at Robinson Deep Landfill Site are on hold due to non-payment, resulting in costs for standing time: - Sorting facility - Boundary wall - Leachate pond - The suppliers of both the illegal tipper trucks and forklift are threatening the entity with legal action due to non-payment. - Consultants at Ennerdale Landfill Site and Midrand Depot have suspended their services due to non-payment, which poses a quality and financial risk to the project should they proceed without a professional team on site. Service providers are suspending work due to non-payment, which is leading to premature termination of contracts. The termination by both the contractor and the consultants results in avoidable costs for the entity. Five service providers have currently suspended their services with the entity as a result of outstanding payments.	The Finance Depot must ensure the timely payment of all valid invoices. The Department is maintaining continuous communication with service providers regarding the status of invoices that have been submitted to the Finance Department for settlement. The entity is to ensure the payment of invoices in accordance with the specific conditions of the contract.
Delays in the procurement turnaround time are impacting the entity's ability to execute projects effectively. Community work stoppages at the Zondi and Midrand project sites have negatively affected progress, leading to delays in achieving practical completion.	The Department holds bi-weekly meetings with the Supply Chain Management, Internal Audit, and Risk teams to address and resolve procurement challenges. This forum aims to identify and eliminate obstacles to effectively expedite the procurement process. The entity has invited two members of the ward committee to attend monthly progress meetings, to assist the Community Liaison Officer in communicating with local communities.
Delays in obtaining the necessary approval for new cell development at Robinson Deep Landfill Site are impacting the entity's ability to extend the site's operational lifespan.	The entity submitted the designs to the Department of Water and Sanitation (DWS) for approval on 19 March 2025. The standard 90-day turnaround time for the DWS to approval expired on 18 June 2025, with the Department indicating that delays are expected due to workload and capacity constraints. The entity is seeking a special intervention to expedite the approval process from the DWS.

SECTION 5: RATIO ANALYSIS

Financial Risk Indicators	Norm	2025	2024	Comments
Net profit margin	Equal to or greater than 0	-3.1%	4.6%	The margin decreased as a result of the increased reliance on a third-party mobile plant, the use of co-operatives and PFA salary increases
Salaries as a percentage of operating costs	25–40%	37.3%	37.5%	The margin is toward the upper limit of the norm as a result of the labour-intensive nature of the Pikitup business model within the City of Johannesburg as a whole.
Payables payment period	30 days or less	156.1	129.6	The ratio indicates that the company takes longer than the required norm of 30 days to pay suppliers. The ratio decreased in the financial year.
Current ratio	1.5–2.0:1	0.92	0.97	The ratio has decreased in the financial year in line with the decrease in liquidity.
Solvency ratio	2.0:1	0.96	0.97	The ratio is lower than the target and has displayed a minor decrease in the financial year.
Cash cover (in days)	30–90	151.14	117.90	The ratio (including the balance on the sweeping account with the City of Johannesburg) has increased significantly in the financial year in line with the increased cash position.

SECTION 6: SUPPLY CHAIN MANAGEMENT

Background

This section covers the period from July 2024 to June 2025 and has been prepared in accordance with the Supply Chain Management (SCM) Policy, as well as the Municipal Finance Management Act No. 56 of 2003 (MFMA), in relation to the implementation of the Municipal Supply Chain Management Policy.

In terms of Regulation 6(1) and 6(3) of the Municipal Supply Chain Management Regulations (MSCMR) of 2005, the Board of Directors of a municipal entity must maintain oversight over the implementation of its SCM Policy. The Accounting Officer must, within 20 days of the end of each financial year, submit a report on the implementation of the entity's SCM Policy to the Board of Directors for consideration.

The purpose of the SCM Policy is to define the parameters and set out clear guidelines, within the prescribed legal and ethical framework, for the creation and application of appropriate processes and procedures that result in fair, transparent, equitable, efficient, competitive, cost effective, and value-adding activities in the procurement of goods and services within the entity.

Implementation of Supply Chain Management Policy

The approved SCM Policy is implemented to ensure continuous SCM legislative compliance and improve operational efficiency. Supply Chain Management continues to ensure compliance with the Circulars issued by National Treasury regarding the reporting of and any change in legislation.

Review of SCM Policy and Procedures

In terms of SCM Regulations 3(1)(b), the Accounting Officer must, when considered necessary, submit proposals for the amendment of the SCM Policy. The Policy was reviewed and updated during the 2023/24 financial year and was approved by the Board of Directors on the 25 April 2024. The SOPs were reviewed and approved by management on 14 October 2024 to assist with the implementation of the policy. During the review of the budget-related policies, no further amendments were made to the SCM Policy.

BID Committee System

The entity applies the bid committee system for competitive bids (above R750 000) and for long-term contracts. The committees are functional and were appointed in accordance with MSCMR Regulation 26, and in compliance with Regulations 27, 28, and 29, as well as any other applicable legislation. The following committees are appointed on an annual and ad hoc basis:

- Demand Management Committee – Standing committee
- Bid Specification Committee – Ad hoc committee
- Bid Evaluation Committees – Ad hoc committee
- Bid Adjudication Committee – Standing committee

Progress on Implementation of the Acquisition Plan

MFMA Circular 62 requires municipalities to develop a procurement plan for all procurement needs exceeding R750 000. The objective of an Acquisition Plan is to assist the entity in proactively planning the procurement of goods, services, or infrastructure projects, rather than merely reacting to purchasing requests. The Acquisition Plan serves as a management tool aimed at ensuring that goods, works, or services are delivered at the right time, in the right quantity, and at the right quality. The Acquisition Plan for the 2024/25 financial year was approved and implemented.

The Demand Management Committee was established to facilitate and ensure proper execution of demand management, and to align procurement items with Pikitup's strategic objectives. The Committee also considers requests to initiate tenders and recommends appropriate sourcing strategies for various projects prior to the commencement of the procurement process.

A total of 76 projects and tenders were initially approved in the annual Acquisition Plan. During the mid-year budget adjustment, all user departments were requested to submit their revised acquisition plans to the SCM Unit. This was done to ensure alignment with the adjusted budget and to enhance the planning and management of resources. Consequently, the Acquisition Plan was adjusted to 39 projects. The status of the projects implemented during the year, including rollovers, is communicated to users and management in terms of the various procurement stages (refer to Appendix F for details.)

Tenders and RFQ Awards

The SCM Unit, in conjunction with user departments, is responsible for the procurement of goods and services. The MFMA and the Municipal Supply Chain Management regulations prescribe how procurement must be conducted within the local government sphere of government.

For the year under review, a total of 195 awards (including all procurement of goods and services above R30 000), were made to the value of R96 232 887,73 (VAT inclusive), excluding rate-based awards (refer to Appendix E for details.)

Awards with a Value Below R750 000

During the year, 183 bids for transactions with a value above R30 000 but below R750 000 (including VAT) were made, amounting to R28 376 761,59 (VAT inclusive) (refer to Appendix E for details.)

Competitive Bid Awards above R750 000

During the year under review, a total of nine bids, each with a value above R750 000 (VAT inclusive), were awarded to 12 service providers, amounting to R67 856 126,14 (VAT inclusive), excluding rate-based awards. Three tenders were cancelled and recommended for re-advertisement during the 2024/25 financial year (refer to Appendix E for details.)

Deviation from, and Ratification of, Minor Breaches of Procurement Processes

Approved Deviations – Regulations 17, 18, and 36

In terms of MSCMR Regulation 36, Pikitup's SCM Policy allows the Accounting Officer to dispense with the official procurement processes established by the Policy and to procure any required goods or services through any convenient process. This may include direct negotiations to ratify any minor breaches of procurement processes by an official or committee acting in terms of delegated powers or duties that are purely of a technical nature.

For the year under review, the Accounting Officer or their delegate approved eight deviations to an estimated value of R1 353 064,44 (VAT included) excluding rate-based contracts. In terms of Regulation 36(2), the Accounting Officer must record the reasons for any deviations in terms of sub-regulation (1)(a) and (b), report them to the next meeting of the Board of Directors, and include them as a note to the AFS. The deviations were reported at the next ordinary Board of Directors meeting and will be disclosed as a note to the 2024/25 AFS (refer to Appendix E for details.)

Awards through Regulation 32: Procurement of goods and services under contracts secured by other organs of state

In terms of MSCMR Regulation 36, Pikitup's SCM Policy allows the Accounting Officer to dispense with the official procurement processes established by the Policy and to procure any required goods or services through any convenient process. This may include direct negotiations to ratify any minor breaches of procurement processes by an official or committee acting in terms of delegated powers or duties that are purely of a technical nature.

For the year under review, the Accounting Officer or their delegate approved eight deviations to an estimated value of R1 353 064,44 (VAT included) excluding rate-based contracts. In terms of Regulation 36(2), the Accounting Officer must record the reasons for any deviations in terms of sub-regulation (1)(a) and (b), report them to the next meeting of the Board of Directors, and include them as a note to the AFS. The deviations were reported at the next ordinary Board of Directors meeting and will be disclosed as a note to the 2024/25 AFS (refer to Appendix E for details.)

Approved contracts expansions and variations

In terms of MFMA Circular No. 62, the Accounting Officer may deem it necessary to expand or vary orders against the original contract. Contracts may be expanded or varied by no more than 20% for construction-related goods, services, and/or infrastructure projects, and by no more than 15% for all other goods or services, based on the original contract value

No contract expansions and variations were approved on transactions above R750 000 (tenders). However, one request for quotation (RFQ) variation amounting to R2 040,00 (9.38%) (VAT inclusive) was approved during the 2024/25 financial year (refer to Appendix E for details.)

Total Preferential Procurement Spend and Awards for the Year

The Preferential Procurement Policy Framework Act (No. 5 of 2000) and its associated regulations provide a mechanism for addressing the socio-economic imbalances of the past by introducing preferences in the procurement of goods and services. This is achieved through the 90/10 or 80/20 preference points system, where points are allocated based on the specific goals in accordance with the Preferential Procurement Regulations 2022 and the SCM Policy.

The specific goal awards for the year, as detailed in Table 74, are measured as a percentage of total awards. These are categorised by companies with more than 51% Black ownership and women ownership, youth ownership, SMMEs – comprising exempted micro enterprises and qualifying small enterprises – and enterprise located within the City of Johannesburg.

During the year, 195 procurement transactions for goods were awarded to Black-owned entities, representing 99.57% of total spend. Of the total awards made, SMMEs accounted for 99% of the number of awards and 99.57% of the actual spend. Women-owned entities received 47% of the awards, representing 14% of the actual spend, while enterprises located within the CoJ received 66% of the awards, accounting for 22% of the actual spend. Youth-owned entities were awarded 26% of the total contract, representing 10% of the actual spend.



Table 72: Preferential Procurement Spend and Awards

Annual				
Category	Annual Targets (% Awards)	Amount (incl. VAT) R96 232 887,73	% Awards	% Spend
51% Black-owned	50%	R95 817 996,40	97%	99.57%
51% Women-owned	25%	R13 807 001,00	47%	14%
SMME	30%	R96 166 877,73	99%	99.93%
Locality	–	R20 897 463,13	66%	22%
Youth	–	R9 486 207,64	26%	10%

Logistics and Stores Management

In terms of Section 63(1) of the MFMA, the Accounting Officer is responsible for the management of:

- The assets of the municipality, including the safeguarding and maintenance of those assets; and
- The liabilities of the municipality.

Logistics and stores management is a key part of SCM, aiming primarily to control the movement and storage of materials and to process the associated transactions, including, receiving, safeguarding, and issuing. Pikitup has a central store where consumables are received and issued to user departments

Monthly verifications and an annual stock count of the physical items held in entity's stores are conducted. This process includes comparing the actual inventory with recorded levels to ensure accuracy, identifying discrepancies, and updating inventory records. It helps maintain proper stock management, prevent shortages or overstocking, and ensure accountability for municipal resources. The annual year-end stock count was conducted in accordance with SCM Policy requirements for the year ended 30 June 2025 (refer to Appendix E for details.)

Disputes with Suppliers

The SCM Policy provides a mechanism for aggrieved persons to lodge written objections or complaints. Any person dissatisfied with a decision or action taken during the implementation of the SSCM system may submit a written objection or complaint within 14 days of the decision or action in question. Alternatively, an appeal may be lodged in terms of section 62 of the Local Government: Municipal System Act (No. 32 of 2000). This provision ensures transparency, fairness, and accountability in procurement processes by affording service providers and stakeholders the opportunity to seek redress where appropriate.

For the year under review, two objections /appeals were recorded (refer to Annexure 1 for details).

Supply Chain Interventions

The following table depicts SCM Unit's continuous interventions, which aim to improve the effectiveness and efficiency of procurement processes in compliance with applicable regulations.

Table 73: Supply Chain Interventions

No.	Activities and Interventions	Status
1	SCM education and awareness sessions and workshops are held to encourage compliance to relevant legislation and regulations.	The SCM Unit conducted information and stakeholder engagement sessions to ensure compliance across all business units, while Bid Committee training took place in Q2 and Q4 of the financial year.
2	The SCM Unit regularly monitors and reports on the progress of the Acquisition Plan by comparing of planned versus actual performance.	SCM continues to provide monitoring and support to user departments for the submission of requests to initiate tenders in adherence to the Acquisition Plan.
3	The SCM Policy has been reviewed and signed by the Board Chairperson to ensure compliance with the revised PPPFA of 2022 and National Treasury Regulations.	The SCM Policy and SCM Procedure Manual were reviewed to ensure alignment with the latest circulars and any applicable regulations.
4	The SCM Unit maintains the Central Supplier Database to ensure all service providers meet the necessary compliance requirements.	The entity continues to ensure that all suppliers are compliant with the Central Supplier Database at the time of award, and all suppliers are required to provide proof of registration.
5	The entity conducts supplier development programmes focusing on bidding requirements and professional conduct.	Supplier development is an ongoing process, with briefing sessions conducted during the tender process and at contract inception meetings; furthermore, contracts are reviewed quarterly.
6	The SCM Unit identifies and evaluates user departments' transversal acquisition needs for the financial year.	The SCM Unit continues to identify commodities and opportunities for transversal contracting in consultation with the business units and user departments.



SECTION 7: PAYMENT OF SUPPLIERS WITHIN 30 DAYS

Payments within 30 Days

Table 74: Analysis of Invoice Settlement Compliance against the 30-Day Target

Payment Classification	Payments	Value (R'000)	Percentage
Payments within 30 days	2 062	423 631	41%
Payments over 30 days with valid reasons	0	0	0%
Payments over 30 days	2 991	1 349 072	59%
Total Payments	5 053	1 772 704	100.0%

Of the 5 053 payments processed during the year under review, only 2 062 (41 %) were within 30 days or have valid reasons for delayed payment, and the actual payment rate remains below the target of 95.0%. This result is due to cash flow constraints and City-mandated payment delays, and represents a decrease from the 60% achieved in the prior financial year.

SECTION 8: LITIGATION MATTERS

Legal and Compliance Department

The Legal and Compliance Department provides legal services as well as contract administration and compliance monitoring support to Pikitup’s corporate departments. Under Legal Services, the Department is responsible for, inter alia:

- Litigation management
- Legal opinions
- General legal advisory
- Comments on legal documents
- Representation at quasi-judicial statutory bodies
- Service on Pikitup of all legal summons, applications, and legal documents

The Department’s primary mandate is to render professional, effective, and efficient legal services to Pikitup to support the entity in achieving its core mandate.

Litigation Management

Legal Services is responsible for the management of litigation brought by or against Pikitup. In line and in accordance with the Legal and Compliance Department's function, Legal Services provides legal support, assistance, and oversight to Pikitup's departments and assumes responsibility where such cases proceed to higher courts. The Department will, where necessary, intervene in cases where a possibility exists of a precedent impacting on Pikitup's core business.

For the purposes of reporting, the litigation matters have been divided into four categories Commercial Litigation (includes arbitration referrals against and by Pikitup), Labour Litigation, Delictual Claims (Insured Liabilities) and non-litigious matters (sub-categorised into Letters of Demand, GDARD prosecutions, investigations, and Promotion of Access to Information Act [PAIA] applications).

Commercial Litigation

Table 75: Litigation Against Pikitup

Item	Matter Name	Brief Cause of Action	Amount claimed	Legal Fees	Status to Date
1	Hlengani Reckson Sithole	The plaintiff demanded payment of R1 709 570, which he contended represented a shortfall in payment during his employment at Pikitup. He was employed as a fleet assistant but contends he was a driver and should have been paid as such.	R1 709 570,00	R223 921,57	- A notice to defend has been entered and filed. - An exception to the particulars of claim has been served and was filed on 15 March 2022. - Amended particulars of claim were served on 4 April 2022, and a special plea and plea were served on the plaintiff's attorneys on 19 July 2022. - A discovery affidavit was served on the plaintiff on 22 August 2022. - The plaintiff has filed a discovery affidavit. - The special plea was removed from the roll indefinitely. - Pikitup's attorneys have moved offices, and have requested the CoJ to appoint new attorneys.

Item	Matter Name	Brief Cause of Action	Amount claimed	Legal Fees	Status to Date
2	Mpefane Wayithi, Robust Engineering (24/05/2022)	The service provider is suing Pikitup for R192 909.04 following the termination of its contract due to poor performance in compiling the specifications and bills of quantities for the construction of the Marlboro Depot, which resulted in the entity incurring additional costs for work not included in the original quote.	R192 909,04	R29 989,47	- A notice of intention to defend was served and filed on 2 June 2022. - The applicant served its replying affidavit and settlement proposal of R1.5m on 16 August 2022, which was rejected outright. - The matter was removed from the roll and is yet to be re-enrolled by the applicant. - The applicant has not re-enrolled the matter for hearing as at June 2025. - The matter has become dormant.
3	Mamba Pawn Shop (Pty) Ltd // Pikitup Johannesburg (SOC) Ltd	The plaintiff alleges that on 9 December 2022, a truck belonging to a Pikitup service provider, Mmazwi, drove into its client's storefront, which at the time was closed and secured by a steel rolling door or grille, causing damage to the door and the shop.	R1 292 500,00	R0,00	- A notice of intention to defend was entered on 20 October 2023. - A special plea of non-joinder was filed on 20 November 2023. - A without prejudice meeting was held with the plaintiff on 23 February 2024. - The plaintiff sent a settlement proposal for Pikitup to pay 50% of the claimed amount, which was rejected. - The matter has been inactive since pleadings closed as at June 2025. - The matter has become dormant.
4	Iron Mountain South Africa (Pty) Ltd // Pikitup Johannesburg (SOC) Ltd Year: 2023	The erstwhile storage services supplier is claiming payment for 45 outstanding invoices emanating from a 2017 SLA.	R287 918,14	R0,00	- A notice of intention to defend was served and filed on 31 May 2024 - The matter has been referred to the Facilities Department to settle the outstanding invoices as at June 2025.

5	Mathews Sibeni // Pikitup Johannesburg (SOC) Ltd and Akani Pension Administrators Year: 2024	The plaintiff is suing Pikitup and Akani Pension Administrators following the fund's repudiation of a claim after the death of his wife. The fund stated that the plaintiff had failed to register his wife as a beneficiary.	R40 000	R0,00	- A notice of intention to defend and an exception were filed in November 2024. - The notice of bar has been uplifted. - Pikitup's plea has been filed. - A special plea and plea have been entered as at June 2025.
6	Mmazwi Civils Pikitup Johannesburg (SOC) Ltd and Others Year: 2024	An application to review and set aside the provision of landfill plant and equipment for a period of 36 months.	Non-monetary claim	R0,00	- The matter is being defended. - A Rule 30A notice was served on Pikitup to deliver additional records.
Total			R3 522 897,18	R378 942,04	

Table 76: Litigation Instituted by Pikitup

Item	Matter Name	Brief Cause of Action	Amount claimed	Legal Fees	Status to Date
1	Amanda Nair	The entity is claiming recovery of monies from its former MD for financial losses incurred as a result of financial irregularities in terms of the MFMA, and as recommended in the Public Protector's report.	R2 969 490,20	R1 026 907,37	December 2024: A request to discharge the entity of its obligations in terms of the remedial actions taken by the Public Protector was referred to the latter's head office for consideration in November. March 2025: The entity received correspondence from the defendant's attorneys notifying Pikitup that they will be applying for a pre-trial date May 2025: The defendant's lawyers have requested to refer the matter for mediation. June 2025: An external legal opinion regarding the finalisation of the matter before trial has been obtained.
Total			R2 969 490,20	R1 026 907,37	

Labour Litigation

Table 77: Labour Litigation Instituted Against Pikitup

Item	Matter Name	Brief Cause of Action	Amount claimed	Legal Fees	Status to Date
1	Pikitup v Phumla Mokele Forum: Labour Court Year: 2023	The employee was dismissed for misrepresenting her qualifications and experience when applying for an HR manager position in 2011. The Public Protector found accordingly and directed the entity to take corrective action against her. She was dismissed following a lengthy disciplinary hearing.	N/A	R557 373,38	- The employee took Pikitup to the South African Local Government Bargaining Council, resulting in a reward for reinstatement. - The entity is taking the award on review in the Labour Court. - An application for a dismissal order by the employee was dismissed with costs as at July 2025.
Total			R0,00	R557 373,38	

Delictual Claims (Insured Liabilities)

Table 78: Status and Financial Implications of Active Litigation

Item	Matter Name	Brief Cause of Action / Status	Amount claimed	Legal Fees	Status to Date
1	SFP Security and Fire (Pty) Ltd (24 March 2023)	The third party is claiming damages arising from a motor vehicle accident in February 2020, where it is alleged that the entity's driver was at fault.	R135 496,09	–	The claim was settled by the insurer.
2	Franco Osato (February 2023)	The third party is claiming damages arising from a motor vehicle accident in February 2020, where it is alleged that the entity's driver was at fault.	R99 814,28	–	The claim was repudiated.
3	Sungu Sungu Projects	The third party is claiming damages arising from a motor vehicle accident in July 2020, where it is alleged that the entity's driver was at fault.	R93 744,08	–	The demand was sent to the insurance team for investigation.

Item	Matter Name	Brief Cause of Action / Status	Amount claimed	Legal Fees	Status to Date
4	Cyril Mabela (07 October 2022)	The third party is claiming damages arising from a motor vehicle accident in May 2021, where it is alleged that the entity's driver was at fault.	R45 000,00	–	The demand was sent to the insurance team for investigation.
5	Jennifer Chetty-Feinberg (20 June 2022)	The third party is claiming damages arising from a motor vehicle accident in July 2020, where it is alleged that the entity's driver was at fault.	R40 933,97	–	Summons was received on 20 June 2022 and was immediately forwarded to the insurer, who confirmed that a claim had been registered.
6	CIB Insurance obo M Crow (10 March 2022)	The third party is claiming damages arising from a motor vehicle accident in May 2021, where it is alleged that the entity's driver was at fault.	R45 000,00	–	The demand was sent to the insurance team for investigation.
7	Gramifix Engineering (Pty) Ltd (17 January 2022)	The third party is claiming damages arising from a motor vehicle accident, where it is alleged that the entity's driver was at fault.	R11 194,68	–	The demand has been sent to the insurance team for investigation. Summons was received on 20 June 2022.
Total			437 038,64	R0,00	

Non-litigious matters

Non-litigious matters are categorised in four areas: GDARD prosecutions, investigations, letters of demand, and PAIA applications.

Table 79: Investigations

Item	Matter Name	Brief Cause of Action	Amount claimed
1	Public Protector investigation into allegations of impropriety in the recruitment of 300 general workers	The Public Protector wrote to Pikitup in February 2025, requesting to be furnished with the forensic report into allegations of nepotism and irregularities in the recruitment process of 300 general workers.	- The entity presented this investigation to the Municipal Public Accounts Committee (MPAC), which resulted in the deferment of this matter pending finalisation of the investigation - The Public Protector has agreed to a partial compliance with the remedial action, paving the way for closure of this matter.

Table 80: Arbitration Proceedings

Item	Matter Name	Brief Cause of Action	Amount claimed
1	The Waste Group // Pikitup	The entity defaulted on the -payment of invoices in excess of R5m.	- Pikitup was held to have been liable to The Waste Group; however, the full amount was settled at the time of finalisation of the arbitration. - The matter has been closed.
2	Rua Construction	The entity failed to settle outstanding invoices totalling in excess of R52m for services rendered.	The arbitration was settled through the payment invoices amounting R20m to Rua Construction.

Table 81: GDARD Contravention Notices

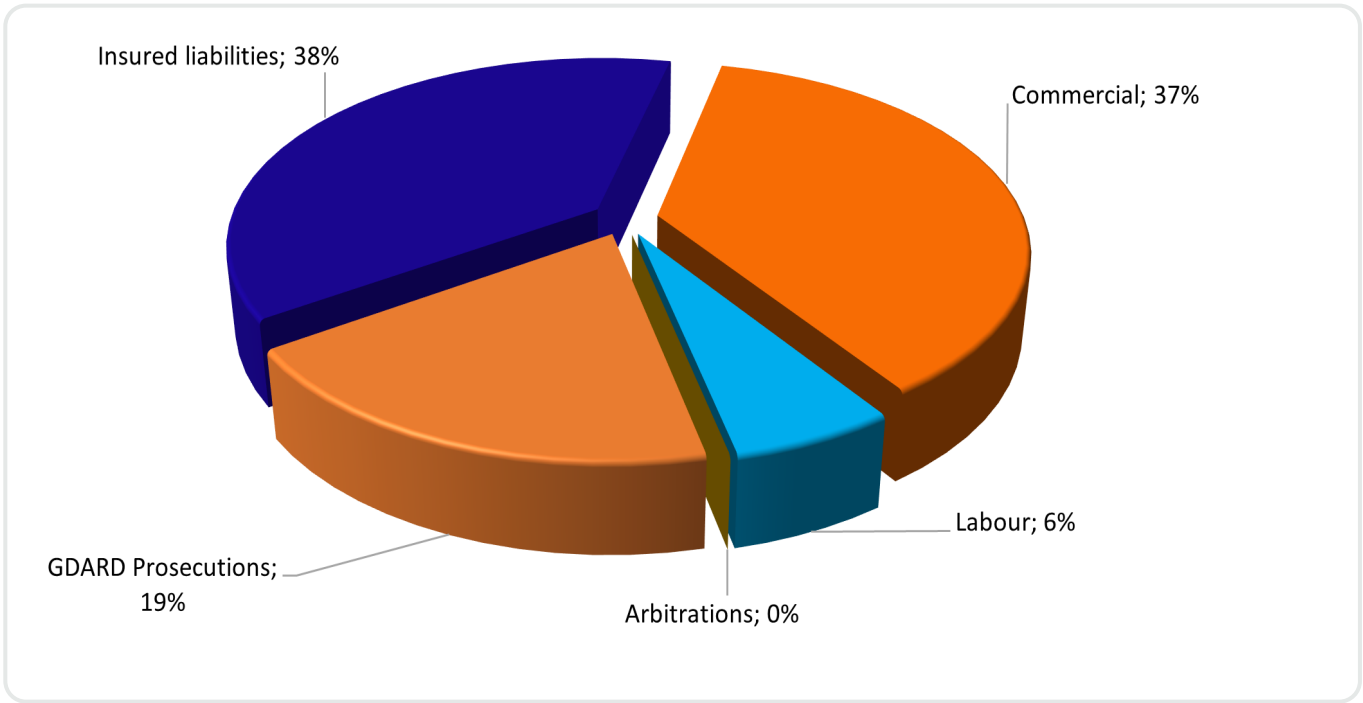
Item	Matter Name	Brief Cause of Action	Amount claimed
1	Construction at Fairlands Garden Site	The entity was issued with a fine of R5m for failing to obtain the necessary approval from the GDoE prior to the commencement of construction.	- An appeal was lodged on 19 December 2023. - The entity was advised in November that the appeal has been referred to the MMC for determination (December 2024). - The entity's appeal against the R5m fine was upheld, and the fine was reduced to R500 000. - The entity has requested an extension of three months to comply.
2	Linbro Park	GDARD issued a formal notice of intention to issue a compliance notice to Pikitup for alleged non-compliance with waste management regulations at the Linbro Park waste management facility. The notice outlines observed violations of the norms and standards for waste storage and processing, and specifies corrective actions required within 14 days. It also warns of potential legal consequences under the National Environmental Management Act and Waste Act if compliance is not achieved.	- The Executive Manager: Disposal is preparing a formal response. - A response regarding the status of remedial projects was submitted to GDARD.

Table 82: PAIA Applications

No.	Request Description	Requestor	Document sent/ Not sent	Status
1	None for the 2024/25 Financial Year	N/A	N/A	N/A

Summary of Active Litigation against Pikitup

Figure 47: Distribution of Legal Matters by Nature of Claims



Pikitung Contingent Liabilities

The entity's total contingent liabilities consist exclusively of commercial litigation claims amounting to R3 522 897,18.

Commercial litigation

Value of claims against Pikitung	R2 922 897,18
Total legal fees to date	R1 015 255,68
Value of claims initiated by Pikitung	R2 969 490,20
Total legal fees to date	R1 026 907,37

Labour litigation

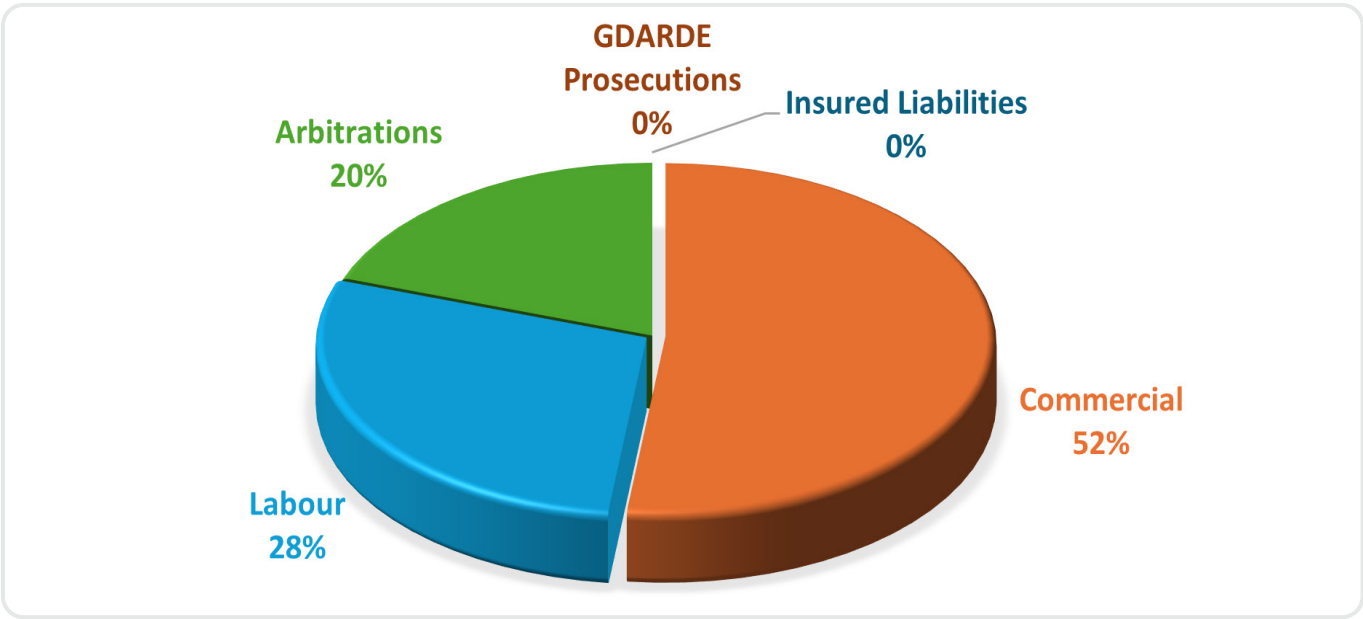
Value of claims against Pikitung:	R0,00
Total legal fees to date	R557 373,38

Delictual Claims (Insured Liabilities)

Value of Insured Claims against Pikitung	Total Legal Fees to Date (Claims and costs paid by the insurer)	Repudiated Claims (In cases of repudiation, Pikitung is liable)
R437 038,64	R0,00	R0,00

Analysis of Legal Litigation Expenditure

Figure 48: Breakdown of Litigation Expenditure by Category – 2023–2025



CHAPTER SIX: INTERNAL AUDIT REPORT



Stakeholders Impacted: Shareholder

Strategic Goal 5: Building an
Efficient, Effective, and Viable Waste
Management Company



SECTION 1: PROGRESS AGAINST INTERNAL AUDIT PLAN

The Internal Audit function is mandated by the ARC and Board of Directors to independently evaluate, assess, and appraise the adequacy and effectiveness of the entity's risk management, internal controls, and governance processes. Internal Audit reports its findings to management, external auditors, the ARC, and the Board of Directors. The CAE reports administratively to the Managing Director and functionally to the ARC and the Board of Directors. The purpose, authority, roles, and responsibilities of the internal audit function are documented in the Internal Audit Charter approved by the Board of Directors.

Annually, Internal Audit develops a rolling three-year risk-based rolling Internal Audit Plan. The Internal Audit Plan is based on the results of both the entity-wide risk assessment and the approved Business Plan. The Plan is updated annually or as and when required, based on the risk-assessment, internal and external emerging strategic issues, and the results of audits conducted in the previous financial year. This ensures that the Internal Audit Plan focuses on identified internal and external emerging risks.

Internal Audit evaluates and assesses the effectiveness and adequacy of controls, thereby promoting continuous improvement. The scope of work includes (but is not limited to):

- Reviewing the reliability and integrity of financial, operational, and performance information
- Reviewing the adequacy, effectiveness, and efficiency of operations
- Assessing the economical, efficient, and effective utilisation of resources
- Reviewing controls over the safeguarding of assets
- Reviewing the entity's compliance with laws, regulations, policies, and procedures
- Ensuring that controls are consistent with the entity's goals and objectives

The Internal Audit function carried out its mandate as required in terms of the MFMA, the MSA, and the approved Internal Audit Charter. Internal Audit's activities complied with the Global Internal Auditing Standards and the practice notes published by the Institute of Internal Auditors. By performing its functions effectively and reporting to the ARC, Internal Audit enabled the Committee to exercise its legislative mandate of independent oversight and advisory services to the Board of Directors.

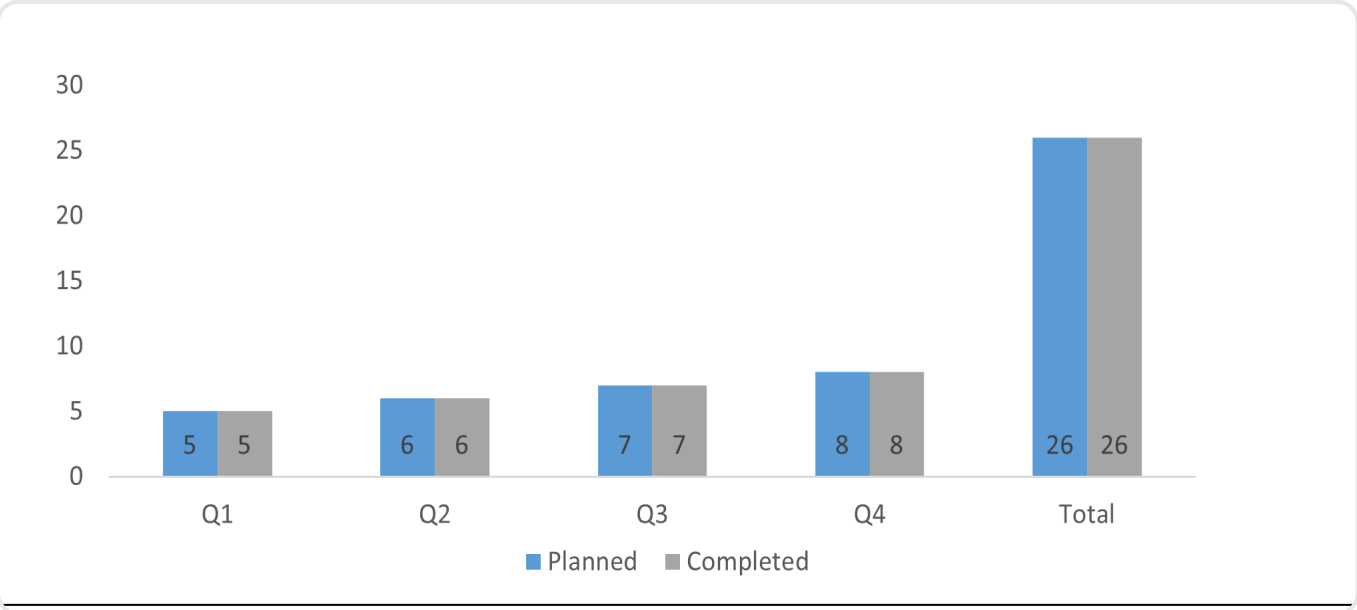
Internal Audit is responsible for investigating all incidents of UIFW expenditure. During the financial year, Internal Audit conducted UIFW expenditure investigations and submitted them to the Board of Directors for write-off and certification of irrecoverability

The Group Forensic and Investigation Service (GFIS) is responsible for investigating incidents of fraud, corruption, theft, and other acts of unethical behaviour. These incidents are reported internally and externally via the Group's anonymous tip-off hotline. The GFIS reports quarterly to the Pikitup EXCO, the ARC, and the Board of Directors on the progress and findings of these investigations.

Planned Versus Completed Audits for the Financial Year

During the financial year, Internal Audit conducted and completed 26 audit projects, which represents a 100% achievement against the approved Internal Audit Plan.

Figure 49: Quarterly and Yearly Progress Status of Audit Projects as at 30 June 2024



Based on the work conducted, controls are assessed as partially adequate and partially effective. Within the context of the entity, partially adequate controls signify that while controls are correctly designed they are not yet fully sufficient to manage risk. Further work is required to

improve the design of existing controls. Partially effective controls indicate that the majority of controls are officially documented and operational; however, improvement is required regarding their documentation, operating effectiveness, and performance.



The table below indicates audit projects completed by Internal Audit during the financial year and the associated audit ratings.

Table 83: Operational, Financial, Compliance, Performance, and IT Audits Planned for 2024/25 Financial Year

Quarter	Audit Ref #	Operational, Financial, Compliance, Performance Information, Information Technology, Probity, Follow-Up Audits and UIFW Expenditure Investigations Planned and Completed for 2024/25 Financial Year	IA Control Rating
Quarter 1	001	Review AFS prior to submission to the AGSA. Assurance provided as part of the finance process	☹️
	002	Audit of pre-determined objectives (audit of annual performance report prior submission to AGSA)	☹️
	003	Follow up on AGSA and Internal Audit findings (Q1)	☹️
	004	Probity Audits (Q1)	☹️
	005	Investigations of UIFW expenditure (Q1)	☹️
Quarter 2	006	Health and Safety Audit	😞
	007	Communication and Stakeholder Engagement Audit	☹️
	008	Audit of Predetermined Objectives (Q1)	☹️
	009	Follow up on AGSA and Internal Audit findings (Q2)	☹️
	010	Probity Audits (Q 2)	☹️
	011	Investigations of UIFW expenditure (Q2)	☹️
Quarter 3	012	Landfill Management Audit (including weighbridge management and landfill revenue)	😞
	013	Waste Minimisation Audit	😞
	014	100% Staff Count and Verifications	☹️
	015	Audit of Pre-determined Objectives (Q2)	☹️
	016	Follow up on AGSA and Internal Audit findings (Q3)	☹️
	017	Probity Audits (Q3)	☹️
	018	Investigations of UIFW expenditure (Q3)	☹️

Quarter 4	019	SCM Audit	☹️		
	020	Fixed Assets Management Audit	☹️		
	021	Fleet Management Audit	☹️		
	022	Audit of Pre-determined Objectives (Q3)	☹️		
	023	Follow up on AGSA and Internal Audit findings (Advisory) (Q4)	☹️		
	024	IT General Controls Audit	☹️		
	025	Probity Audits (Q4)	☹️		
	026	Investigations of UIFW expenditure (Q4)	☹️		
Overall Assessment for 2024/25 financial year		Controls are partially adequate and partially effective, and require improvements			
😊	Adequate/Effective	☹️	Needs Improvement	😞	Inadequate/ Ineffective

SECTION 2: RESOLUTION OF INTERNAL AUDIT FINDINGS

During the 2024/25 financial year, Internal Audit conducted follow-up audits on 159 audit findings raised in the 2023/24 financial year. The entity resolved 94% of these findings, with 6% remaining unresolved.

Table 84: Progress on Resolving Internal Audit Findings

Quarter	Audit Projects	Total Findings	Resolved	Unresolved	% Resolved
IA findings for 2023/24 financial year followed up in 2024/25 financial year					
Quarter 1	Audit of Pre-determined Objectives Audit (Review of Annual Performance Report)	2	2	0	100%
	Sub-total	2	2	0	100%
Quarter 2	Depot Management Audit (including cleanliness assessment) (Midrand)	19	19	0	100%
	Depot Management Audit (including cleanliness assessment) (Randburg)	19	19	0	100%
	Employee Year-end Final Performance Reviews	1	1	0	100%
	Audit of Pre-determined Objectives (Q1)	15	15	0	100%
	Sub-total	2	2	0	100%

Quarter 3	Landfill Management Audit (including weighbridge management and landfill revenue)	7	5	2	71%
	Contract Management Audit	4	4	0	100%
	Audit of Pre-determined Objectives (Quarter 2)	22	22	0	100%
	HR Management Audit	13	12	1	92%
	Payroll Management Audit	7	7	0	100%
	Sub-total	53	50	3	94%
Quarter 4	Supply Chain Management Audit	1	1	0	100%
	Contract Management Audit	8	5	3	63%
	Audit of Pre-determined Objectives (Quarter 2)	11	7	4	64%
	HR Management Audit	17	17	0	100%
	Payroll Management Audit	13	13	0	100%
	Sub-total	50	43	7	86%
Total number of audit findings for 2023/24 financial year (followed up in the 2024/25 financial year) and the resolution rate		159	149	10	94%

An analysis of Internal Audit findings for the 2023/24 financial year was conducted to determine the potential impact on service delivery and year-end audit opinion in instances where audit findings remained unresolved for a longer period. Table 86 categorises these findings by their significance to service delivery and the audit opinion, and provides their current resolution status.



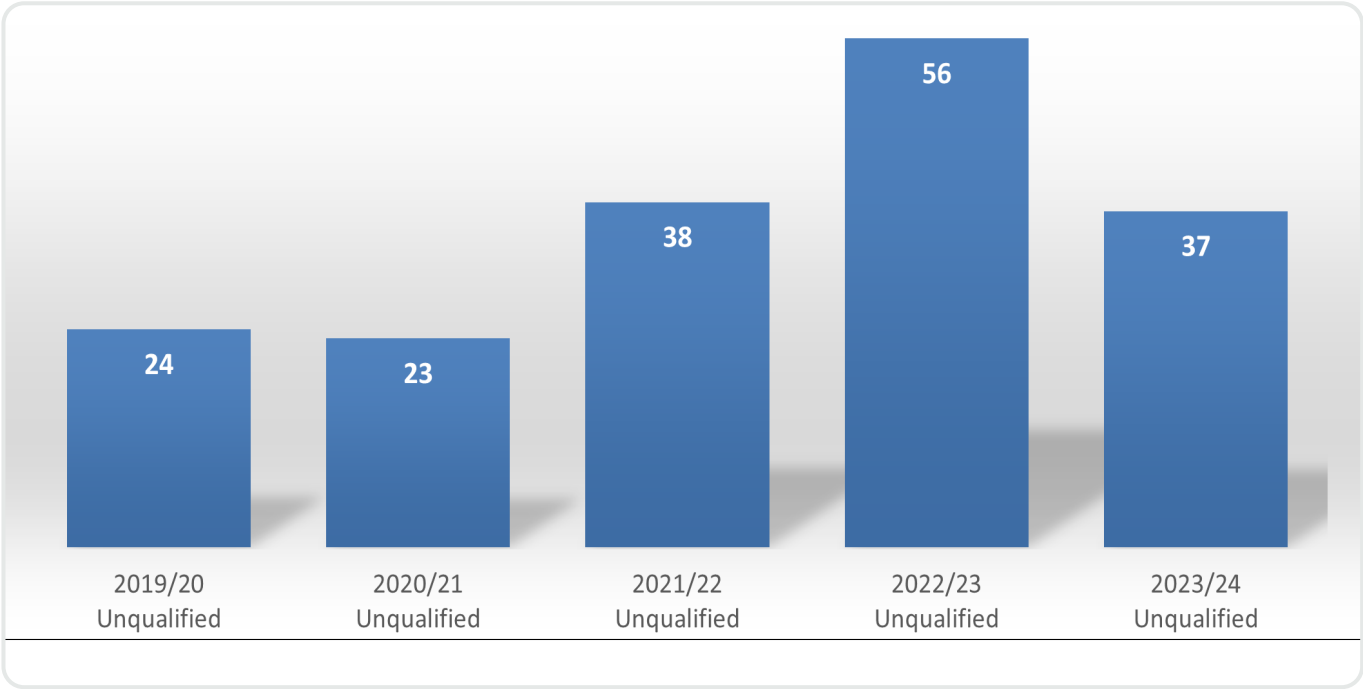
Table 85: Analysis of Internal Audit Findings and Rating of Potential Impact on Service Delivery and Year-End Audit Opinion

Effects on Audit Opinion and/or Service Delivery				
Financial year	Matters that may affect audit opinion and/or service delivery (significant)	Other important matters that could escalate to significant if not addressed (medium significant)	Administrative matters (less significant)	Total
2023/24 Financial Year				
Resolved	28	103	18	149 (94%)
Not resolved	2	6	2	10 (6%)
Total	30	109	20	159 (100%)
Percentage	19%	68%	13%	100%

SECTION 3: RESOLUTION OF AGSA AUDIT FINDINGS

The AGSA raised 178 audit findings for the past five financial years.

Figure 50: Trend of AGSA Audit Findings for the Past Five Financial Years



The trend analysis in Figure 51 shows an improvement in the control environment within the entity during the 2023/24 financial year. This improvement is demonstrated by a reduction in the number of audit findings from 56 in 2022/23 to 37 in the 2023/24 financial year. The 2023/24 year-end audit shows a decrease of 34% in the number of audit findings compared to the 2022/23 year-end audit.

These audit findings remain a concern because some are qualitative and material in nature and, if not resolved during the financial year, may have a negative impact on the 2024/25 year-end audit outcome.

Progress in resolving AGSA audit findings

Table 87 indicates the nature and number of the audit findings raised by the AGSA in the 2023/24 and 2022/23 financial years, and the associated resolution rates as at 30 June 2025. For the 2023/24 financial year, the 37 audit findings consisted of 13 repeat findings and 24 new findings. For the 2022/23 financial year, the 56 audit findings consisted of four repeat findings and 52 new findings.

Table 86: Progress on Resolving AGSA Audit Findings

Area reviewed	Total findings	Resolved (management assertions)	Verified and confirmed by Internal Audit	Unresolved	% Resolved
AG findings for 2023/24 financial year					
Financial	22	22	0	0	100%
Performance	1	1	0	0	100%
Compliance	11	8	0	0	73%
Internal controls	3	3	0	0	67%
Service delivery	0	0	0	0	0%
Total resolution rate	37	34	0	3	92%
AG findings for 2022/23 financial year					
Financial	18	18	18	0	100%
Performance	16	15	15	1	94%
Compliance	6	4	4	2	67%
Internal controls	16	16	8	0	100%
Service delivery	0	0	0	0	0%
Total resolution rate	56	53	45	3	95%
Total resolution rate for the 2023/24 and 2022/23 financial years combined (average)	93	87	45	6	94%

Tables 87 and 88 indicate that, on aggregate, the entity resolved 94% of the audit findings raised by the AGSA for the 2023/24 and 2022/23 financial years, with 6% remaining unresolved. Internal Audit remains continuously engaged with management to facilitate the resolution of all outstanding audit findings.

Table 87: Trend of Audit Findings Issued by the AGSA and Resolution Rate

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

Figure 51: Total AGSA Unresolved Audit Findings per Department as at 30 June 2025



Table 88: AGSA Unresolved Audit Findings for the 2023/24 Financial Year

No.	Finding reference	AGSA Audit Findings	Action Plans
1	Compliance finding	Irregular expenditure not prevented The AGSA noted during the audit of the financial statements that the entity incurred irregular expenditure amounting to R164 222 471 in the 2023/24 financial year, as disclosed in note 46 to the AFS. The incurrence of this expenditure resulted in non-compliance with section 95(d) of the MFMA.	- The SCM Unit issues a contract expiry notice to the contract owner when a contract is due to expire within 12 months. - The entity is to implement consequence management against the contract owner who fails to initiate the procurement process in a timely.
2	Compliance finding	Payments not made within 30 days The AGSA noted during the audit of the expenditure that, in certain instances, payments to suppliers for goods and services were not made within 30 days of receipt of an invoice or statement.	- The entity acknowledges that cash flow challenges from the City impact the ability to achieve the 30-day payment target. - Service providers are settled immediately up the receipt of funds from the City.
3	Compliance finding	Non-compliance with landfill site regulations Non-compliance issues were noted in the following landfills: Ennerdale, Robinson Deep, Marie Louise, Linbro Park, Goudkoppies, and Kya Sands.	- The entity is to reconvene the Landfill Forum to track non-compliance, remedial actions, and progress through the Landfill Compliance Risk Monitoring Plan. - An environmental auditor has been appointed to conduct the landfill audit. - Various CAPEX projects are underway at the landfill sites to address compliance requirements.

The entity conducted an analysis of the AGSA's audit findings for the 2023/24 financial year and their potential impact on the year-end audit opinion. The analysis shows that 38% of the audit findings relate to matters affecting the audit opinion, 38% relate to other important matters, and 24% relate to administrative matters. Table 88 indicates the number of audit findings that impact the year-end audit opinion, other important matters, administrative matters, and the associated resolution rates.



Table 89: Analysis of AGSA Audit Findings for 2023/24 Financial Year and Impact Rating on Year-End Audit Opinion

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

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

- Consistent follow-up with relevant manager or action owners on the resolution of audit findings
- Appropriate escalation of unresolved audit findings to the Accounting Officer, EXCO, ARC, and Board of Directors.
- Immediate resolution of Internal Audit findings, with follow-ups in the subsequent quarter
- Adequate monitoring of the implementation of consequence management
- Regular workshop with management through the Operation Clean Audit Committee on the resolution of audit findings.
- Development of a UIFW investigation plan and adequate resourcing of the plan
- Timely submission of UIFW expenditure investigation reports to MPAC for processing and write-off upon the completion of investigations.

Table 90 depicts the impact the audit findings will have on the year-end audit if they recur.

Table 90: Impact Rating on Year-End Audit

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

SECTION 4: OVERALL STATE OF INTERNAL CONTROLS

During the financial year, Internal Audit conducted probity audits for all tenders in excess of R10 million. The entity did not note any unresolved material instances of non-compliance with MFMA and its related regulations, the PPPFA, or Pikitup policies and procedures for probity audits completed during the financial year.

The process to write off UIFW expenditure was undertaken during the financial year through the Board of Directors. This process assisted in the resolution of UIFW expenditure findings.

Table 92 outlines UIFW expenditure investigated, certified as irrecoverable, and written off by Board of Directors as at 30 June 2025. Investigation reports were discussed at meetings held with the Accounting Officer, EXCO, ARC, and Board of Directors. In certain instances, management has implemented consequence management against implicated employees still in the Pikitup’s employ for non-compliance with the MFMA, related regulations, circulars, policies, and procedures. For cases completed in the current financial year, Internal Audit is regularly engaging with management to facilitate the ongoing implementation of consequence management.



Table 91: Details of UIFW Expenditure Investigated, Certified as Irrecoverable, and Written Off as at 30 June 2025

UIFW expenditure closing balance as per the 2023/24 AFS	R1 080 024 851
Less: UIFW expenditure written off during the year	R1 025 181 747
Balance after deducting UIFW expenditure written off during the year	R54 843 104
Add: UIFW expenditure identified in the current financial year	R661 480 725
UIFW expenditure closing balance for 2024/25 financial year (cumulative balance)	R716 323 829
Reduction of UIFW expenditure to date	33.7%

ANNEXURES AND APPENDICES



ANNEXURE 1: COMPLIANCE STATUS ON ITEMS OF LEGISLATION MONITORED IN 2024/25

Key to Legend:

NON-COMPLIANT

COMPLIANT

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
1	Local Government: Municipal Finance Management Act (MFMA) of 2003: Section 65(2)(e) Section 99(1) and 2(b)	The Accounting Officer must for the purpose of subsection (1) take all reasonable steps to ensure — (b) that all money owing by the entity is paid within 30 days of receiving the relevant invoice or statement unless prescribed otherwise for certain categories of expenditure.	2024/25 Financial year: 27% of invoices were paid within 30 days. - The remaining balance 73% was affected by the City of Johannesburg's (CoJ) cash flow challenges for the 2024/25 reporting period but NO interest was incurred. - Total Number of payments (April–June 2025) = 825 - Total payments paid within 30 days = 226 - Payments over 30 days = 599	- Receipt of invoices has a centralised email address directly to Finance in line with the Accounts Payable Policy. 30-day payment compliance is now part of management scorecards or performance agreements. Standard operating procedure (SOP) for invoice processing is under review. Awaiting EXCO / CFO approval.	Continuous monitoring of compliance
2	MFMA: Circular 68 Sections 62(1)(d) and 95(d) (Procedure to be followed regarding unauthorised, irregular, fruitless, and wasteful [UIFW] expenditure)	Ensure that all reasonable steps are taken to prevent UIFW expenditure and other losses. In accordance with MFMA Circular 68, a UIFW register must be maintained on a monthly and quarterly basis and submitted to all Pikitup governance structures and Group.	A UIFW register is maintained and monitored. Irregular expenditure: Current year: R184 019 168,06 Total of UIFW as of 30 June 2025: R73 591 237,01 (Historical) Total = R257 610 405,07 Fruitless and wasteful expenditure: Total R18 748 133,27	- A UIFW register is maintained and updated by Finance. - UIFW Reduction is 76.5%	Continuous monitoring of UIFW expenditure reduction strategy

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
3	MFMA: Circular 68 Section 32(2)(b) (Recovery and write-off of UIFW expenditure)	A municipality must recover UIFW expenditure from the person liable for that expenditure unless the expenditure – in the case of irregular or fruitless and wasteful expenditure, is, after investigation by the Council Committee, certified as irrecoverable and is written off.	- Internal Audit developed a UIFW investigation plan. - Pikitup Internal Audit and Group Forensic Investigation Services investigated UIFW expenditure in accordance with the register. - Internal Audit Department is currently investigating 16 cases of irregular expenditure, which are distributed across the four quarters of the 2024/25 FY (historical). Note: No new irregular expenditure was incurred during this period.	- Internal Audit investigates UIFW and reports to the Audit and Risk Committee (ARC) and the Board. - The Internal Audit Department conducts probity audits on tenders.	
4	MFMA: Circular 76 of 2015 Sections 74, 171, and 173 Financial misconduct regulations: Section 3(2)(a) and (2)(b) (Disciplinary proceedings and financial misconduct)	Ensure that all reported UIFW expenditure and allegations of financial misconduct are investigated and corrective actions are reported. In accordance with Circular 76 of the Financial Misconduct Regulations, disciplinary proceedings must be finalised within 90 days. Disciplinary Provisions: Circular 76 of 2015 deals with municipal regulations on financial misconduct procedures and criminal proceedings:	Pending Cases: - One case is before the court, to recover the irregular expenditure incurred. - One case related to service providers is under investigation by SAPS.	Investigations by SAPS are progressing slowly.	Disciplinary board established by the CoJ

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
5	Disaster Management Act 57 of 2002	Monitor compliance with the Business Continuity Management (BCM) framework for responding to natural or human-caused disasters as defined in section 1 of the Act, in line with Disaster Management Act regulations.	- A BCM programme is in place to respond to any disasters that may occur. - The programme emphasises the five principles of disaster management, which are the five steps of emergency management: - Prevention - Mitigation - Preparedness - Response - Recovery	- Disaster Management: Business Continuity Programme - Evacuation exercise conducted at all locations except Head Office - Purpose: To assess the organisation's readiness in the event of a fire or other emergency - Aim: To ensure all staff are familiar with the evacuation procedures - Exercise helped identify any gaps that could hinder a safe and swift evacuation - Supports injury prevention and safety during potential emergencies - Minimises potential disruption to operations - Strengthens overall business continuity and disaster preparedness	Continuous monitoring in consultation with BCM unit (Risk Department).

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
6	Municipal Systems Act (MSA): Section 4(2)(a) MFMA: Section 65(2)(e) Companies Act, 2008: Section 75 King IV: Practice note 25 Employee declarations of interest process for 2020–2021	Prohibit awards to people in the service of the municipality (i.e. employees and councillors), people in the service of any other state institution, and entities owned or managed. A declaration of interest is mandatory and is conducted annually on all employees and directors. All directors, management and employees within grade levels G to A should declare their interest, to comply with Section 65(2) of the MFMA. Section 2 of the Code of Conduct for Municipal Staff states that “a staff member of a municipality who, or whose spouse, partner, business associate or close family member, acquired or stands to acquire any direct benefit from a contract concluded with the municipality, must disclose in writing full particulars of the benefit to the council”.	- The Compliance Unit maintains an annual declaration of interest register. - An electronic declaration of interest form/link for 2022/23 was distributed to all Pikitup employees, including the Board of Directors, for completion and submission. - The current submission for declarations of interest, as of 30 September 2024, is at 100%. Declaration of interest status per level is as follows: Total Number of employees as of 01 July 2024 = 4 769 Total number of Board Members = 15 Total = 4 784 Total number of employees that completed a declaration of interest = 4 739 Total number of employees that did not declare = 45, for the following reasons: - Deceased = 6 - Long illness leave = 2 - Medical boarding = 7 - Retirement = 16 - Dismissal = 1 - Maternity leave = 1 - Contract ended = 2 - In hospital = 1 - On leave = 7 - Not a Pikitup employee = 2		- Employees are expected to declare their interests annually. - New employees are expected to declare their interests within 30 days of their appointment.

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
6		Section 75(5) of the Companies Act, 2008 stipulates that if a director has a personal financial interest, or knows that a related person has a financial interest, in any matter to be considered by the Board of the company, that director must: Firstly, disclose the interest to the board; and secondly, recuse himself and not take any further part in the consideration of that matter. King IV practice note 25, and principle 7 states that: "Subject to legal provisions, each member of the governing body should submit to the governing body a declaration of all financial, economic and other interests held by the member and related parties at least annually or whenever there are significant changes".			
7	Income Tax Act No. 58 of 1962 MFMA: Circular 90 Section 112(1)	Ensure SARS tax compliance.	SARS issued a tax clearance certificate to Pikitup.	Note: Income tax returns are filed monthly.	The Compliance Unit will continue to ensure that Pikitup is tax compliant.
8	Value-Added Tax Act 89 of 1991	Monitor and report Pikitup compliance with VAT 215 and VAT 216 in terms of section 55 of VAT Act regulations.	Pikitup was confirmed to be VAT compliant.	Note: Income tax returns are filed monthly.	

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
9	MFMA: Sections 11, 54, 71, 72, and 75 In year reporting Circular 88 Rationalisation planning and reporting requirements for 2019 MFMA: Circular 94 Financial and performance reporting	Ensure compliance with financial and performance reporting requirements.	Annual financial statements and performance report were submitted to the Auditor-General South Africa (AGSA) on 31 August 2024.	Annual Financial Statements for the financial year ended 30 June 2024 reflect UIFW incurred and written off amounts approved by the Board	
10	MFMA: Circular 96 Circular 62 Municipal Supply Chain Management Regulation 32 (MSCMR)	Monitor compliance with the contract acquired through other organs of state. Ensure procurement of goods and services from contracts is secured by other organs of state. Monitor deviations from regulations.	No awards or approvals were made under Regulation 32 during the financial year.	- Supply Chain Management (SCM) Policy updated in line with circular 96. - The entity avoids the use of Regulation 32 procurement where benefits can be derived from existing transversal contracts facilitated by National Treasury, SITA, or the CoJ. - In terms of MSCMR, Regulation 32(1) Pikitup's SCM policy allows the Accounting Officer to participate in a centrally facilitated contract arranged by the National Treasury, SITA, and the CoJ.	Internal Audit conducts the annual SCM Audit.

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
11	Municipal Supply Chain Management Regulation Regulation 36 (MSCMR): Deviations	• Deviating from standard bidding processes when procuring goods or services: • Emergency • Sole provider • Special works of art • Animal zoos • Any other exceptional case that is impractical or impossible to follow official procurement process	• One deviation was approved within this period: Pik062/2024-25 – Provision of Landfill Airspace in Northern Johannesburg, Rates-Based.	• In terms of MSCMR, Regulation 36 1(a) and (b) Pikitup's SCM policy allows the Accounting Officer to dispense with official procurement processes established by the policy and to procure any required goods or services through any convenient process.	• Internal Audit conducts the annual SCM audit.
12	National Environmental Management: Waste Act 59 of 2008 (NEMWA): Circular 96 Circular 62	Ensure all waste management activities are in line with NEMWA regulations. The Act provides for co-operative environmental governance by establishing principles for decision making. It imposes a duty on everyone who causes, has caused, or may cause significant pollution or degradation of the environment to take reasonable measures to prevent it from occurring, continuing, and recurring. It also provides conditions (regulations) regarding management of landfill sites for which the license holder (Pikitup) must ensure compliance.	• The entity maintained an average percentage of landfill compliance according to Gauteng Department of Agriculture and Rural Development (GDARD), Department of Environmental Affairs, and Department of Water and Sanitation permit conditions for Robinson Deep; Ennerdale; Goudkoppies, and Marie Louise. • Non-compliance notices were received for the Linbro Park, Marie Louise, Robinson Deep, and Goudkoppies sites. • The following mitigations have been implemented: i. Marie Louise • Upgrading of a pollution control pond/dam, rehabilitation of the entrance and construction of a reinforced concrete boundary wall – The contractor terminated the contract with Pikitup on 31 October 2023 due to non-payment. The RFQ was advertised on 09 April 2024; the briefing session was held on 16 April 2024 and closed on 26 April 2024. Note: The project has been handed over to the Johannesburg Development Agency (JDA).		• The Landfill Compliance Forum comprises operations managers, the Compliance Unit and SHE officers. • The forum meets on a monthly basis to monitor progress to address issues pertaining to issued compliance notices.

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
12			- The entity maintained an average percentage of landfill compliance according to Gauteng Department of Agriculture and Rural Development (GDARD), Department of Environmental Affairs, and Department of Water and Sanitation permit conditions for Robinson Deep; Ennerdale; Goudkoppies, and Marie Louise. - Non-compliance notices were received for the Linbro Park, Marie Louise, Robinson Deep, and Goudkoppies sites. - The following mitigations have been implemented: i. Marie Louise - Upgrading of a pollution control pond/dam, rehabilitation of the entrance and construction of a reinforced concrete boundary wall – The contractor terminated the contract with Pikitup on 31 October 2023 due to non-payment. The RFQ was advertised on 09 April 2024; the briefing session was held on 16 April 2024 and closed on 26 April 2024. Note: The project has been handed over to the Johannesburg Development Agency (JDA). - The bidder was appointed on 25 October 2024 and the project was presented to the region on 09 December 2024. The site was handed over to the contractor in January 2025, who has commenced with construction works, which are at 22.7% progress. ii. Kya Sands - The consultant was appointed for the design of the guardhouse and boundary wall, and installation of the high mast light. The consultant was instructed to delay surveying the boundary wall/fence until illegal landfilling operations had ceased. - No work has been done.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
12			iii. Goudkoppies - The project is phased as follows to accommodate existing budget constraints: - Construction of a guardhouse, reinforced concrete boundary walls, and stormwater management system, and installation of boreholes and dewatering. - The consultant is performing contract close-out and final management; the project is 100% complete. - Phase 2 involves the appointment of a contractor with a minimum Construction Industry Development Board (CIDB) grading of 7CE for the construction of a new temporary leachate pond, the installation of a leachate pumping system, and the rehabilitation of the existing contaminated pond at Goudkoppies Landfill Site. The bidder was appointed on 25 October 2024, and the project was presented to the region on 25 November 2024. The site was handed over to the contractor on 22 January 2025, who commenced with construction works, which are at 21.9% progress. iv. Linbro Park - The project is phased as follows to accommodate budget constraints: - Construction of a sorting facility for reclaimers, including ablution facilities. - Construction of ablution facilities for workers, upgrading of the entrance, upgrading of the boundary wall, and installation of a high mast light. Work has been halted due to non-payment, and the contractor has terminated the contract due to the delay in payments for work completed on site. A new SCM process for the appointment of a successor service provider is currently in progress.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
12			- The bidder was appointed on 25 October 2024, and the project was presented to the region 04 November 2024. The Chief Liaison Officer was appointed on 03 December 2024 and the site was handed over to the contractor to commence with works on 10 December 2024. The project will be implemented using Pikitup's panel of contractors which is the Bid Adjudication Committee stage. - As of May 2025, the contractor is was at 29.4% progress. v. Robinson Deep - Construction of a concrete boundary wall: The site was handed over to the contractor on 03 June 2024; the contractor has commenced with work and physical progress is at 38%. - Repairs to the stormwater drainage channel: construction of stormwater runoff dissipaters for erosion control is underway. - Leachate remedial is in progress. The site was handed over to the contractor on 01 June 2023; construction progress on-site is at 89%. The project has been delayed due to non-payment of invoices. Currently, the pond is overflowing and has been unsuitable for activities since 06 January 2025. The geosynthetic clay liner was damaged when the dam overflowed and requires replacement. - Construction of a sorting facility for reclaimers: The site was handed over to the contractor on 01 June 2023. Construction was delayed due to the relocation of reclaimers; however, that has since been resolved and progress on-site is at 92%.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
12			vi. Ennerdale - Consulting engineers are managing the Phase 1 construction of a reinforced concrete boundary wall and have completed the designs for Phase 2, which include the development of a new cell and construction of office infrastructure at the Ennerdale Landfill Site. - The contractor has commenced construction works and is currently at 18% progress. vii. Determination of remaining airspace for all active landfill sites - A consultant is surveying all landfill sites to determine the remaining airspace. - An engineering consultant from the existing panel was appointed. The consultant has submitted the concept design and preliminary designs and is currently working on detail designs. - The following projects are currently being implemented through a panel of contractors appointed for the maintenance of facilities: - Expansion of the landfill cell at Ennerdale: The engineering consultant was appointed for rezoning the purchased land, designing the relocation of the existing entrance, rerouting of the storm water system, construction of a new admin office, establishing sorting facilities for reclaimers, and developing a cell on newly purchased land. - The consultant has submitted the concept design and preliminary designs and is currently working on detail designs. - The designs have been finalised and were approved by Pikitup.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
12			- Rehabilitation of Robinson Deep landfill infrastructure: The engineering consultant was appointed and is currently working on detailed designs for new ablutions, a change room, kitchen facilities, a hall, storm water management including the leachate pond, a boundary wall, and a reclaimers' recycling shed. - Development of landfill master plan: The engineering consultant was appointed to conduct a feasibility study on Pikitup landfill sites with the aim of determining end use after landfill closure. The project scope is as follows: - Determining tonnages per landfill site - Identifying types of trucks used - Calculating haulage costs - Investigating the possibility of height extension - Exploring the feasibility of a transfer station - Assessing the viability of a material recovery facility Note: The following reports have been issued: Status Quo, Gaps and Needs, Emergency Diversion, and Emergency Implementation. Closed Landfill - Kya Sands Landfill Site - The Consultant has completed stage 2, which is the preliminary design stage and has commenced with stage 3. - Panorama (Section 28 Directive) – Remedial action was implemented in accordance with the directive and following engagement with GDARD.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
13	Waste Management By-Laws (CoJ)	Monitor compliance by Pikitup with its obligations in accordance with the CoJ's Waste Management By-laws (Provincial Gazette Extraordinary No. 216, 30 July 2013).	- Pikitup cannot enforce waste by-laws and is reliant on the Johannesburg Metropolitan Police Department (JMPD). - A Service Level Agreement (SLA) is currently in place between Pikitup and the JMPD, and it is in the implementation stage. - Pikitup is piloting an illegal dumping programme in collaboration with the JMPD in the Inner City regarding waste management by-law enforcement. - Fifty Pikitup security officers received training in by-laws through the JMPD programme. - Security officers patrol and monitor illegal dumping spots in the Inner City. - Security officers work rotational shifts to enhance their effectiveness and avoid close relations with the Inner City community.		Pikitup and the JMPD have revised their SLA; the JMPD is releasing 60 officers towards waste by-law enforcement, and Pikitup is supplying 8 vehicles.
14	Municipal Systems Act 81(2) Service Delivery Agreement	Monitor the execution of the terms and conditions of the SDA signed between Pikitup and the CoJ, including services provided per area, service types, and service standards.	PIKITUP SERVICE DELIVERY STANDARDS REPORT 2024/25 FY 1. Collection of refuse bags on the kerbside: - Service level standard (SLS) target – Daily - Target = 90% - Pikitup achieved: - July: 100% - August: 100% - September: 100% - October: 100% - November: 100% - December: 100% - January: 100% - February: 100% - March: 100% - April: 100% - May: 99% - June: 100% Annual target achieved.	- The overall performance achieved for Q4 2024/25 FY per SDS is as follows: 100% 99% 88% 100% 100% 87% Note: All SDS targets were achieved in 2024/25.	

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
14	Municipal Systems Act 81(2) Service Delivery Agreement	Monitor the execution of the terms and conditions of the SDA signed between Pikitup and the CoJ, including services provided per area, service types, and service standards.	2. Cleaning of illegal dumping spots: - SLS target – Within 10 days - Target = 85% - Pikitup achieved: - July: 100% - August: 100% - September: 100% - October: 98% - November: 100% - December: 100 - January: 100% - February: 100% - March: 98% - April: 99% - May: 100% - June: 99% Annual target achieved.		
14	Municipal Systems Act 81(2) Service Delivery Agreement	Monitor the execution of the terms and conditions of the SDA signed between Pikitup and the CoJ, including services provided per area, service types, and service standards.	3. Delivery of new or replacement wheelie bins (240 L) ordered by customers: - SLS target – Within 10 days - Target = 85% - Pikitup achieved: - July: 100% - August: 100% - September: 100% - October: 98% - November: 100% - December: 100 - January: 100% - February: 100% - March: 98% - April: 99% - May: 100% - June: 99% Annual target achieved.	Achieved	

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
14	Municipal Systems Act 81(2) Service Delivery Agreement	Monitor the execution of the terms and conditions of the SDA signed between Pikitup and the CoJ, including services provided per area, service types, and service standards.	4. Households in informal settlements, including backyard shacks (bag/bin/skip), and hostels (skips) receiving refuse removal services: - SLS target – Daily - Target = 90% - Pikitup achieved: - July: 100% - August: 100% - September: 100% - October: 100% - November: 100% - December: 100% - January: 100% - February: 100% - March: 100% - April: 100% - May: 100% - June: 100% Annual target achieved.	Achieved	
14			5. Removal of animal carcasses: - SLS target – Within 48 hours - Target = 100% - Pikitup achieved: - July: 100% - August: 100% - September: 100% - October: 100% - November: 100% - December: 100% - January: 100% - February: 100% - March: 100% - April: 100% - May: 100% - June: 100% Annual achieved		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
14			6. Resolution of complaints: - SLS target – Resolution within 7 days - Target = 85% - Pikitung achieved: - July: 85% - August: 89% - September: 91% - October: 87% - November: 90% - December: 85% - January: 88% - February: 96% - March: 87% - April: 86% - May: 88% - June: 68% Annual target not achieved		
14			7. Waste diversion - Diversion of dry waste and builders' rubble is ongoing. - Separation at Source (S@S) is taking place in the following depots: Avalon, Central Camp, Marlboro, Midrand, Norwood, Southdale, Orange Farm, Waterval, and Zondi - The three remaining depots – Randburg, Roodepoort, and Selby – are conducting S@S; however, it has not been officially rolled out. - A total of 21 co-operatives are active under the S@S programme and 17 garden sites are utilised to render this service.		- Dry waste: Implement a hybrid model consisting of co-operatives and waste pickers to extract dry waste tonnages from households. - S@S Programme

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN												
14			• Performance metrics for waste diversion: <table><tr><th>Month</th><th>% of green waste diverted</th><th>% of dry waste diverted through Pikitup interventions (paper, plastic, glass, and cans)</th><th>% of areas where separation at source is implemented</th></tr><tr><td>Target</td><td>3%</td><td>5%</td><td>36%</td></tr><tr><td>Achieve-ment</td><td>3%</td><td>5.1%</td><td>36%</td></tr></table>	Month	% of green waste diverted	% of dry waste diverted through Pikitup interventions (paper, plastic, glass, and cans)	% of areas where separation at source is implemented	Target	3%	5%	36%	Achieve-ment	3%	5.1%	36%		To date, 268 out of 700 areas are participating in the S@S rollout, which constitutes 36%.
Month	% of green waste diverted	% of dry waste diverted through Pikitup interventions (paper, plastic, glass, and cans)	% of areas where separation at source is implemented														
Target	3%	5%	36%														
Achieve-ment	3%	5.1%	36%														
15	MFMA Section 116		• All services and Pikitup Head Office maintain active, approved contracts or SLAs. • The contracts monitoring register includes all active contracts. • All contracts stipulate the terms and conditions of required goods or services, in accordance with MFMA section 116. • Performance is monitored. • Reviews are conducted quarterly and annually depending on performance. • The contract management system actively tracks contract expirations.														

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
16	MFMA Circular 25 Supply Chain Management Guide	Monitor the general conditions of contracts and municipal bidding documents.	- All contracts stipulate the terms and conditions of required goods or services, in accordance with the bidding process. - The procurement process is in line with newly promulgated regulations. - A new contract management checklist template tracks compliance with contract requirements, conditions, and deliverables.		
17	Local Government: Municipal Cost Containment Regulations Circular 97	Monitor and report cost-containment processes.	- Finance monitors compliance with Municipal Cost Containment Circular 97, before releasing any purchase requisition or procuring any goods and services. - User departments are required to submit an approved motivation report for all procurement falling under any of the 12 clauses of the Municipal Cost Containment Regulations. - The SAP accounting system prevents any expenditure from being accounted for if a user department exceeds its allocated budget.		
18	Cybercrimes Act 19 of 2020	Monitor Pikitup compliance regarding unlawful access to a computer system or computer data storage medium. Intercept unlawful data and/or processing of unlawfully intercepted data.	Activities related to the prevention of violations include: - Implementing security protocols, including Mimecast, to safeguard sensitive data from cyber threats - Strengthening cybersecurity measures to protect data and systems from potential breaches, including reviewing all information and communication technology (ICT) documents to ensure alignment with governance regulations - Reporting any cyber-related incidents in compliance with legal and regulatory requirements - Educating staff on cyber risks, legal obligations, and best practices to enhance awareness and compliance - Establishing procedures for effectively managing and responding to cybercrime incidents	Pikitup mail is managed by Mimecast Limited, which specialises in cloud-based email management for Microsoft Exchange and Microsoft Office 365, including security, archiving, and continuity services to protect business mail.	- Continuous awareness related to cyber-crime detecting tips - Monthly incident reporting

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
18			- Maintaining protection systems, including: - Firewall and network protection - Virus and threat protection - App and browser control - Password protection - Circulating regular cyber security awareness quick tips and alerts through Communications, focusing on phishing, detection, device locking, and password protection: - For example: - How to detect a phishing email. 10 things (TIPS) to watch out for: - Don't trust the display name of who the mail is from. - Look but don't click. - Check for spelling errors. - Consider the salutation - Is the email asking for personal information? - Beware of urgency. - Check the email signature. - Be careful with attachments. - Don't believe everything you see. - When in doubt, contact the IT Department. - Always keep devices (computer, iPad, etc.) locked. Set the device to automatic lock when not in use. - Protect your password. Pick a strong password that hackers cannot guess: - It should contain a random collection of letters. - It should be at least eight characters long. - Every account should have a unique password. - Passwords should be changed on a regular basis.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
19	Protection of Personal Information Act 4 of 2013, with amendments of 2020 (POPIA) Promotion of Access to Information Act 2 of 2000 (PAIA)	Monitor and report compliance with personal information.	- An Information Officer must perform duties and responsibilities as prescribed under POPIA and PAIA. - A manual is developed, monitored, maintained and made available, as prescribed in sections 14 and 51 of PAIA. - Internal measures are developed together with adequate systems to process requests for information or access thereto. - Internal awareness sessions are conducted regarding the provisions of POPIA, regulations made in terms of POPIA, codes of conduct, and information obtained from the Information Regulator. A compliance framework is developed and approved. The following measures are being implemented to ensure compliance with POPIA: Registration for Information Officers as prescribed by POPIA: - The Accounting Officer has been appointed as the designated Information Officer (IO) according to POPIA, and the ICT GM has been appointed as the Deputy Information Officer (DIO) with effect from 01 July 2021. - The IO and DIO are registered with the Information Regulator ("Regulator") as prescribed by the POPI Act. - The PAIA and POPIA manuals have been developed for Board approval. - An Information and Records Policy aligns with POPIA and has been developed for Board approval. - The POPIA Compliance Manual was approved on 15 September 2021. - A Risk and Compliance Champion Forum, represented by all business departments, was established. - An Awareness message regarding the legal effects of POPIA was circulated to Pikitup employees with effect from 01 July 2021	Pikitup is in the process of developing the POPIA Implementation Strategy. The strategy will encompass the following: - Retaining and restricting records in accordance with Section 14 - Developing a records management, restriction and retention policy. - Destroying or deleting records in accordance with Section 14 - Reviewing Pikitup forms - Ensuring that the Compliance Manual is implemented The appointed service provider for the document management system is in the process of training system users.	

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
19			- POPIA training for the Risk and Compliance Champion Forum has been completed using a train-the-trainer approach, resulting in 40 trained employees. - The POPIA Compliance Manual was endorsed by the EXCO on 15 September 2021 and approved by the Managing Director on 04 November 2021. - Pikitup's standard contracts are POPIA compliant, as per section 14 of the standard agreement. - Pikitup's website is compliant, displaying both the privacy policy and the PAIA Manual - A POPIA checklist has been developed to monitor compliance: - A records management message, aligned with POPIA and PAIA, was issued on 28 September 2021. - POPIA awareness training sessions are conducted quarterly. - The implementation of an electronic declaration of interest form for the 2022/23 financial year commenced on 01 July 2022. During FY 2023/24, Pikitup implemented an ISO standard (Apliso) system to enable the document management system. It is a new platform for all active company policy frameworks and standard operating procedures (SOPs) reflecting in the entity policy library. To ensure compliance with Integrated ISO standards: - All policies are on the policy shared drive and loaded on the Apliso system document management in compliance with integrated ISO standards. - The Facilities Unit is currently acquiring physical storage for paper-based documents in compliance with the guidelines stipulated by National Archives and Records Service of South Africa. - Communications issues regular cybersecurity awareness tips to ensure protection of personal information within the organisation.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
19			The ICT Department reviewed and updated the security architecture, leading to a migration to a new and improved VPN platform to enhance network security and provide a more seamless connection experience for all users, which included connecting all employees to the new VPN configuration on both their company mobile devices and laptops.		
20	Occupational Health and Safety Act 81 of 1993 (OHSA)	Monitor and report Pikitup compliance with employee health and safety procedures and processes.	- First aid boxes are maintained per department and depot, filled with the minimum content required by general safety regulations. - Personal protective equipment (PPE) and clothing are managed by ensuring: - Every employee is issued with protective clothing and equipment annually or as and when required. - Mandatory PPE signs are displayed. - Inspections of permit conditions at landfills are conducted monthly using a standard developed template. Note: The injury rate is 0.9 DFIR (discomfort, fatigue, and injury rate), which remains below the prescribed 2.5 factor.		
21	Code of Good Practice: HR Policies and Practices Employment Equity (EE) Amendment Act 47 of 2013 Employment Equity Regulations	Monitor and report Pikitup compliance with identified employee-related acts and regulations.	- Pikitup's employment equity (EE) plan is approved. - The EE Central Committee is established and functional. - Depot-based and Head Office subcommittees are established and functional. - A Senior Manager was appointed in accordance with section 24(1) of the EE Act. - A panel of training service providers was appointed for the implementation of workplace skills plans.	The Depot EE Committee meets monthly. The Central EE Committee meets quarterly.	- Continue with consultation workshops. - Conduct education and awareness sessions on disabilities to increase employee declarations and the overall percentage of persons with disabilities.

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
22	National Treasury Public Sector Risk Management Framework (ISO 31000 Risk Management) in line with the MFMA	Monitor Pikitup city-wide, strategic, and operational compliance risk-related mitigating actions.	- Risk registers are in place and up to date, reviewed annually. - Strategic risks are continuously monitored, and mitigation strategies are implemented. - Risk mitigations are monitored to ensure their effectiveness.		
23	National Building Regulations and Building Standards Act 103 of 1977 Building Regulations South Africa (Governs the design, planning, and supervision of all construction work) SANS 10400	Monitor and report compliance with flagship and key capital projects in line with building regulations to ensure the safety and health of people, including persons with disabilities. Ensure the approval of site plans and layout drawings by the CoJ, and the issuance of handover and completion certificates.	Thirteen key Capex flagship projects are in progress: - Compliance monitoring takes place at a technical and SCM level. - A GCC 2015 3rd Edition contract is signed by Pikitup and the respective contractors. - Consultants conduct monthly site monitoring, and meetings are held with Capex project managers and contractors, with minutes and progress reports recorded. Discussions include the following: - Quality control and assurance - Contractors' progress reports - Community retained earnings (local small, medium, and micro enterprises [SMMEs] and suppliers) - Monthly progress payments are submitted by the client representative for Pikitup approval and payment, with an engineering certificate of completion issued for each progress payment request. Progress status per project is as follows: Goudkoppies Landfill Site - Phase 1 construction of a guard house, a reinforced concrete boundary wall, a stormwater management system, the installation of boreholes, and dewatering is 100% completed. - Phase 2 construction of a new temporary leachate pond, the installation of a leachate pumping system, and the rehabilitation of the existing contaminated pond stands at 22% physical progress on this multi-year project. - Consulting services for Stages 5 and 6 are ongoing, and the consultant is currently supervising Phase 2 construction.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
23			ii. Robinson Deep Landfill Site - Construction of a reinforced concrete boundary wall stands at 38% progress, but the contractor has suspended works on the site due to delayed payment. - Construction of a sorting facility for reclaimers is at 97% completion, but the contractor has suspended works on site due to delayed payment. - Upgrading of the leachate pond/dam was 89% completed in December 2024. The pond has been overflowing and unsuitable for activities since 06 January 2025 because the geosynthetic clay liner was damaged during the overflow and requires replacement. - The consulting engineers are overseeing the construction of three projects while finalising the new cell development designs. iii. Marie Louise Landfill Site - Phase 1 construction of a reinforced concrete boundary wall stands at 23% progress. - The consulting engineers are managing the construction of Phase 1 and have completed the designs for the Phase 2 leachate pond construction. iv. Linbro Park Landfill Site - Phase 1 construction of a sorting facility for reclaimers, a stormwater management system, and access roads stands at 40% progress. - Consulting services for Stages 5 and 6 are ongoing, and the consultant is currently supervising Phase 1 construction.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
23			v. Ennerdale Landfill Site - Construction of a reinforced concrete boundary wall contractor has commenced and stands at 18% progress. - Consulting services from for Stages 5 and 6 involve overseeing the Phase 1 boundary wall construction. While the consultants have completed the Phase 2 designs for a new cell and office infrastructure, they have currently suspended their services due to non-payment. vi. Selby Depot - A contractor is appointed for the Phase 1 construction of a sewer line and the upgrading of male and female ablution facilities. - The contractor was handed over the site and commenced work on 01 June 2023. The first phase of the project is completed, and the building was handed over to the user department on 03 May 2024. - The second phase of the project is in progress, with the consultant scheduled to finalise the designs by April 2025 and the close-out report by May 2025. vii. Midrand Depot - Phase 1 involves the appointment of a contractor with a CIDB grading of 7CE or higher for the construction of a boundary wall, stormwater management systems, civil services (water and sewer network), earthworks or platforms, and a guardhouse. - The contract was awarded on 13 November 2024, and the project was presented to the region on 05 December 2024. The site was handed over to the contractor on 29 January 2025, with current operations focused on site establishment and the appointment of SMMEs. - The contractor currently stands at 9.6% physical progress.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
23			viii. Zondi Depot - The contractor was awarded the project on 13 November 2024, and the project was presented to the region on 09 December 2024. The site was handed over to the contractor in January 2025, and construction works have commenced, reaching 12% progress by April 2025 and 29.6% physical progress by May 2025. ix. Waterval Depot - Data and network cable connections stand at 69% completion. x. Midrand Depot - Phase 1 involves the appointment of a contractor with a CIDB grading of 7CE or higher for the construction of a boundary wall, stormwater management systems, civil services (water and sewer network), earthworks or platforms, and a guardhouse. - The contract was awarded on 13 November 2024, and the project was presented to the region on 05 December 2024. The site was handed over to the contractor on 29 January 2025, with current operations focused on site establishment and the appointment of SMMEs. - The contractor currently stands at 9.6% physical progress.		

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
24	MFMA Section 122(1)	Prepare Annual Financial Statements (AFS) each financial year. Disclose the information required in terms of sections 123, 124 and 125 of the MFMA. Monitor prepared AFS, which fairly present the state of affairs of the municipality or entity, its performance against its budget, its management of revenue, expenditure, assets and liabilities, its business activities, its financial results, its financial position at the end of the financial year, and to disclose the information required.	- The AFS were submitted to the AGSA in August 2025. - The AFS were tabled by the ARC on 26 August 2025 and by the Board of Directors on 29 August 2025. Note: AFS are prepared annually.		
25	MFMA Section 131	Matters raised in prior year's audit report are addressed adequately. A municipality must address any issues raised by the AGSA in the audit report. Monitor progress and post-audit action plans. Monitor resolution of audit findings. Conduct trend analysis of Auditor-General findings on non-compliance with MFMA.	- Progress on post-audit action plans is monitored, the resolution of audit findings is tracked, and a trend analysis of AGSA findings on non-compliance with the MFMA is conducted. - The 2024/25 target for the resolution of external and internal audit findings is 90% cumulative. - The resolution of AGSA findings is at 94% for FY 2023/24 FY audit. - Internal Audit findings for FY 2023/24 are resolved to date at 94% cumulative. Pikitup has met the Service Delivery Budget Implementation Plan targets for the resolution of AGSA and Internal Audit findings.		Internal Audit continues to follow up with management to ensure that findings are resolved as soon as possible.

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
26	MFMA Section 95(c)(i) King IV Report on Corporate Governance, 2016. Parts 5.2, 5.3, and 6.2 Compliance Institute of South Africa Compliance Handbook for members, 2008, Section 11	Monitor, update, and review Pikitup policies, and prioritise Pikitup policies for compliance monitoring. Take responsible steps to ensure that the entity has and maintains effective, efficient, and transparent systems.	- Six policies are currently under review, and four SOPs have been developed, all of which require approval by no later than 30 June 2025: - Asset Management Policy - Fraud Policy - Ethics Policy - Conflict of Interest Policy - Combined Assurance Policy - Whistle-blowing Policy - Partnership management SOP - Operations waste minimisation S@S SOP - Bulk services SOP - Project management SOP - The entity's policy library serves as a platform for all active company policy frameworks and SOPs, and ensures compliance with integrated ISO standards for ease of reference for all Pikitup employees, and reflects all current frameworks. - All policies are on the policy shared drive and loaded onto the Apliso system.		
27	Prevention and Combating of Corrupt Activities Act 12 of 2004 (PRECCA) (Aims to prevent and fight corruption)	Monitor and report compliance with PRECCA. Anti-Bribery and Corruption prevention and enforcement at Pikitup through the application of policies and procedures.	- Pikitup has a Fraud, Risk and Prevention Strategy. - The plan was implemented in partnership with the Corporate Services and Supply Chain Management Departments. - A Stakeholder Engagement Plan has been established and approved. - The Risk and Compliance Champion Forum is established, with representation from all business departments. - Ethics and conflict of interest training and awareness was conducted at all Pikitup sites. - The Code of Conduct for supply chain practitioners and other role players was completed by all SCM role players.		- Facilitate quarterly stakeholder engagements. - Schedule quarterly training and awareness are in relation to combating fraud and corruption.

#	ACT / REGULATION / POLICY	REQUIREMENTS	STATUS	COMMENTS	ACTION PLAN
27			- Annual employee declarations of interest achieved a 100% completion rate. - The Ethics Ambassadors Forum is established, and the members trained, certified, and situated at all Pikitup facilities. - Pikitup's values are regularly workshopped for all Pikitup employees. - Regulatory compliance and UIFW expenditure education and awareness workshops were conducted during 2025 - The occurrence of UIFW expenditure has decreased significantly by 76.6%, leaving the current balance at R 257 million as of 30 June 2025.		
28	Private Security Industry Regulation Act 56 of 2001 (PSiRA)	PSiRA's mandate derives from the Private Security Industry Regulation Act 56 of 2001. The primary objective of the Authority is to regulate the private security industry and to exercise effective control over the practice of the occupation of security service providers in the public and national interest and in the interest of the private security industry itself. Ensure that all security guards and companies hired to provide any security services to Pikitup are PSiRA-registered and in good standing.	- Pikitup guards (with a total number of 282 guards) and specialised security (service providers are PSiRA-certified. - Pikitup is PSiRA-certified under reference number 297 5584		

5. LEGISLATION UPDATE FOR 2024/25

The table below details legislation promulgated in Government Gazette No. 50991 during the current financial year.

#	Legislation	Published Date	Department	Details of the Regulation	Summary
1	Companies Amendment Act 16 of 2024	30 July 2024 Effective date to be determined	Legal, Governance and Compliance	The Companies Amendment Act 16 of 2024 intends: - to amend the Companies Act, 2008, so as to insert certain definitions and amend the definition of “securities”; - to clarify when a Notice of Amendment of a Memorandum of Incorporation takes effect; to provide for the Commission to publish, as prescribed, the notice of the location of a company's records; - to differentiate where the right to gain access to companies’ records may be limited; to provide for the preparation, presentation and voting on companies’ remuneration policy and directors’ remuneration report; to provide for the filing of a copy of the annual financial statement; - to empower the court to validate the irregular creation, allotment or issue of shares; - to clarify that shares which are not fully paid are to be transferred to a stakeholder and dealt with in terms of a stakeholder agreement; to exclude the subsidiary company from the requirements relating to financial assistance; - to provide for instances where a special resolution is required for the acquisition by a company of its own shares; - to provide for a social and ethics committee report and remuneration report to also be presented at an annual general meeting of a public company; - to provide for the circumstances under which a private company will be a regulated company; - to provide for the publication of the application for exemption from the requirement to appoint a social and ethics committee; to deal with the composition of the social and ethics committee; - to provide for the preparation by the social and ethics committee of a social and ethics committee report, as prescribed, to be presented at the annual general meeting or shareholders meeting, as the case may be; - to provide, in respect of a private company, personal liability company or non-profit company, for the appointment of an auditor at a shareholders meeting if such appointment is a requirement in terms of the Act; - to extend the definition of an employee share scheme to include situations where there are purchases of shares of a company; - to provide for the determination by the Minister, in consultation with the Panel, of financial thresholds, for purposes of identifying the private companies to which Parts B and C of Chapter 5 of the Act apply;	- Extends the limitation periods for legal claims against directors - Governs director delinquency and probation proceedings - Mandates the preparation, presentation, and approval of comprehensive remuneration policies and reports - Requires the presentation of both the remuneration report and a Social and Ethics Committee report at the AGM

#	Legislation	Published Date	Department	Details of the Regulation	Summary
1				- to provide for post-commencement finance for unpaid amounts that are due to the landlord during business rescue proceedings; - to provide for the Commission to substitute a contested name of a company under certain circumstances; - to provide for mediation, conciliation and arbitration by the Companies Tribunal only in respect of relief or complaints in terms of the Act; - to further provide for the operation and governance of the Companies Tribunal. - to provide for pronouncements that may be issued by the Financial Reporting Standards Council.	

6. Policy and standard operating procedure review and development within the 2024/25 financial year

#	Policy	Due for Review	Department	Category	Details of the Regulation	Status
1	Supply Chain Management (SCM) Procedure	Update required due to legislative amendments	Supply Chain Management	Regulatory Compliance	Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) – amendments to regulations regarding SCM.	Approved
2	Employee Performance Management Policy	Alignment required to the City of Johannesburg's (CoJ) Group Performance Management Guidelines and Framework	Human Resources	Regulatory compliance and strategic direction to improve performance management	- Local Government: Municipal Systems Act 32 of 2000 (MSA) - CoJ's Monitoring and Evaluation Framework, 2012 - Pikitup's HR Strategy, 2023 - City Group Policy for Managing Performance, 2012	Pending Board approval

#	Policy	Due for Review	Department	Category	Details of the Regulation	Status
3	Standard Operating Procedures (SOPs)	Review SOPs to align with the Service Delivery Agreement (SDA), improve overall operations performance, and drive continuous improvement.	Operations	Regulatory compliance and strategic direction to improve performance management	- Service Delivery Agreement (SDA) - Pikitup Strategy	Pending approval
4	Operations Waste Minimisation (Separation at Source [S@S]) SOP	Review the Operations Waste Minimisation Programme SOP	Operations Waste Minimisation	Regulatory compliance and strategic direction to improve performance management	- Municipal Systems Act 32 of 2000 (MSA); Service Delivery Agreement - National Environmental Management Act 107 of 1998 (NEMA) - National Environmental Management Waste Act 59 of 2008 (NEMWA) and landfill permit licences. - Municipal Finance Management Act 56 of 2003 (MFMA) - Revised National Waste Management Strategy 2020	Pending Accounting Officer's signature (incorporating EXCO comments)

#	Policy	Due for Review	Department	Category	Details of the Regulation	Status
5	Disposal/Landfill SOP	Review the Operations Landfill/Disposal SOP	Disposal/Landfill	Regulatory compliance and strategic direction to improve performance management	- Municipal Systems Act 81 of 2000: Service Delivery Agreement - National Environmental Management Act 107 of 1998 (NEMA) - National Environmental Management Waste Act 59 of 2008 (NEMWA) and landfill permit licences - Municipal Finance Management Act 56 of 2003 (MFMA) - Revised National Waste Management Strategy 2020 - Landfill licence requirements	Approved on 11 April 2025
6	Unauthorised, irregular, fruitless and wasteful (UIFW) expenditure management and investigations SOP	Provide a framework for the step-by-step management and investigation of UIFW expenditure, reduce historical irregular expenditure ahead of the next audit cycle, and prevent future non-compliance The SOP provides Internal Audit and management with the process to be followed for the recording, reporting, investigation and remediation of UIFW expenditure	Finance, Compliance, and Internal Audit	Regulatory compliance and good corporate governance	- MFMA Section 32(2) (b) and Section 102, read in conjunction with Regulation 75 of the Municipal Budget and Reporting Regulations - MFMA Circular 68 - MFMA Circular 111	Approved on 07 November 2024

#	Policy	Due for Review	Department	Category	Details of the Regulation	Status
7	Bereavement Policy	Review the requirements for the Bereavement Committee, including transport, refreshments for the bereaved family, and administrative tools such as digital devices	Operations	Staff Wellness	South African Local Government Bargaining Council Conditions of Service	Approved
8	Partnerships SOP	Govern all partnership agreements entered into by Pikitup, including joint ventures, strategic alliances, collaborations, accords, and contractual collaborations	Communications and Stakeholder Engagement Management	Regulatory compliance and good corporate governance	Public Private Partnership (PPP) Framework governed by the Municipal Finance Management Act 56 of 2003 (MFMA)	Approved
9	Conflict of Interest Policy	Establish guidelines for directors, employees, and external stakeholders to avoid conflicts of interest that could compromise the entity's goals	Legal, Governance, and Compliance	Regulatory compliance and good corporate governance	Municipal Systems Act 32 of 2000	Approved
10	Ethics Management Policy	Provide a guiding and teaching aid for Pikitup employees to assist in making ethical decisions in the workplace, highlighting the importance of personal and professional integrity in decision-making for all Pikitup officials, directors, and third-party suppliers	Legal, Governance, and Compliance	Regulatory compliance and good corporate governance	- Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) - King IV Report on Corporate Governance for South Africa, 2016	Approved
11	Asset Management Policy	Provide a guideline to ensure the smooth running of asset management at Pikitup by addressing the maintenance and disposal of assets through their life cycle while minimising risks and costs	Finance	Regulatory compliance and good corporate governance	Local Government: Municipal Finance Management Act 56 of 2003 (MFMA) – financial asset management	Approved

#	Policy	Due for Review	Department	Category	Details of the Regulation	Status
12	Allowance for Doubtful Debts Policy	Read in conjunction with other relevant adopted policies of the municipality including the Credit Control and Debt Collection Policy and the Indigent Management Policy	Commercial and Finance	Regulatory compliance and good corporate governance	Section 96 of the Local Government: Municipal Systems Act 32 of 2000, in accordance with the applicable accounting standards of Generally Recognised Accounting Practice	Approved
13	Commercial Services SOP	Review commercial processes to align with the SDA, improve overall operational performance, and drive continuous improvement	Operations	Commercial services	- Service Delivery Agreement (SDA) - Pikitup Strategy	Approved

APPENDIX A: RECOMMENDATIONS AND RESOLUTIONS



BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Board of Directors Recommendations and Resolutions Q1 2024/25

25 July 2024	Subject to comments and at the recommendation of the Audit and Risk Committee (ARC), the Service Delivery Committee (SDC), and the Social, Ethics, Human Resources and Remuneration Committee (SEHRRRC), the Board approved the Pikitup Q4 Performance Report for submission to the City of Johannesburg.	Implemented
	The Board ratified the recommended Annual Compliance Risk Monitoring Plan for the 2024/25 financial year.	Implemented
	On recommendation of the ARC, the Board approved the 2024/25 Pikitup Strategic Risk Register, aligned with the Strategic Risk Assessment Report, for implementation.	Implemented
	Following a round-robin process and the incorporation of comments, the Board recommended the regularisation of the appointments of Ms K Docrat and Mr G Booysen.	Implemented
	On recommendation of the ARC, the Board approved the Internal Audit Plan 2024/25 for implementation.	Implemented
	The Board noted the approved audit of predetermined objectives standard operating procedures (SOPs) for implementation.	Implemented
	The Board noted the approved probity audits SOPs for implementation by management.	Implemented
22 August 2024	The Board Committee composition outlined below was approved for appointment: - Marvelous Ndhlovu as Chairperson and Ndivhuho Sekoba, Thabo Mokwena, and Khumo Mogagole as members of the SEHRRRC - The following directors to the SDC: Otsile Maseng (Chairperson), Thapelo Bodila, Simon Hai Shi, and Sebenzile Mkhonto - Mtona Marota as Chairperson and Malewa Radebe, Sajidah Gaffoor, Noluthando Msibi, Shamila Singh, and Nonkululeko Ntuli as members of the ARC, with four (4) being Independent Audit Committee members.	Implemented
30 August 2024	On recommendation of the ARC, the amended draft unaudited Annual Financial Statements 2023/24 are approved for submission to the Auditor-General South Africa (AGSA) for audit purposes.	Implemented
	On recommendation of the ARC, the Board approved the amended draft Integrated Annual Report 2023/24 for submission to the AGSA for audit purposes.	Implemented
Board of Directors Recommendations and Resolutions Q2 2024/25		
15 October 2024	The Board adopted the outcome of the Forensic Investigation Report in relation to the recruitment of the 300 general workers and resolved that the recommendation be implemented accordingly.	???

BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Board of Directors Recommendations and Resolutions Q2 2024/25

23 October 2024	The Board Charter was approved with the following recommendations: incorporation of Continuing Professional Development provisions and inclusion of benchmarking initiatives, subject to funding availability. The approval was moved by Mr Malewa Radebe and unanimously adopted.	Implemented
	The SEHRRC Charter was reviewed and approved by the Board. The approval was moved by Mr Marota and seconded by Mr Maseng and unanimously adopted.	Implemented
	The SDC Charter was reviewed and approved by the Board. The approval was moved by Mr Shi and seconded by Ms Sekoba and unanimously adopted.	Implemented
	The ARC Charter was reviewed and approved by the Board. The approval was moved by Mr Maseng and seconded by Mr Mokwena and unanimously adopted.	Implemented
	The Board of Directors resolved to approve the implementation of a 4.25% salary increment for all employees as per the five-year Bargaining Council agreement, effective July 2024. The resolution was moved by Mr Marota and seconded by Mr Mokwena and unanimously adopted.	Implemented
	The Board of Directors resolved to approve the write-off of unauthorised, irregular, fruitless and wasteful (UIFW) expenditure totalling R50.1 million for the financial years 2020/21, 2021/22, and 2022/23, as per the presented report. The breakdown includes fleet contract expenditure, landfill plant and equipment expenditure, and irregular expenditure relating to the leasing of the Head Office building.	Implemented
28 November 2024	The Board noted the audited findings outcome for the financial year concluded on 30 June 2024.	Implemented
	The AGSA Audit Report was approved together with the Audited Financial Statements, 2023/24.	Implemented
	The Audited Financial Statements ending 30 June 2024 were reviewed and approved.	Implemented
	The bonus pay-out for the 2023/24 financial year was approved and would be processed in accordance with the current Bonus Performance Management Policy.	Implemented
	The Human Resources (HR) Department was directed to initiate recruitment under the Gauteng Transport and Public Works Provident Fund, with the Internal Talent Acquisition Policy (TAP) to be expedited for finalisation. The Board resolved that, pending revision of the Pikitup TAP, the City TAP should be utilised on an interim basis.	Implemented
5 December 2024	Performance bonuses of 4.6% for 2023/24 were approved, with a directive for HR to ensure robust moderation and fairness in future evaluations.	Implemented
	The revised TAP was approved. A two-month extension for recruitment processes was granted.	Implemented

BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Board of Directors Recommendations and Resolutions Q3 2024/25

28 January 2025

The Board approved the audit findings outcome for the financial year ending 30 June 2024.

Implemented

The Board resolved to approve the Q2 Performance Report.

Implemented

The Board resolved to ratify the 2024/25 Adjustment Budget and the 2025/26–2027/28 Medium-Term Budget Index, as presented and tabled at the city. The Board endorsed the proposed tariff adjustment of 6.6% (CPI + 2%) for the 2025/26 financial year as necessary to maintain financial sustainability.

Implemented

The Board engaged in deliberations on the verbal report presented by the Nominations Committee. Following a thorough discussion and due consideration of the recommendations, the Board formally approved the appointment of the recommended candidates to Chief Operating Officer, Company Secretary, and Executive Manager: Business Sustainability positions, subject to final procedural formalities. The Board resolved that a comprehensive written report detailing the executive recruitment process and outcomes be circulated to all Board members via round-robin resolution, to ensure formal ratification and compliance with corporate governance requirements.

Implemented

The Board resolved to ratify the Q2 Performance Report and noted the ARC Chairperson's report, with the resolution moved by Mr Ndhlovu and seconded by Mr Shi.

Implemented

Board of Directors Recommendations and Resolutions Q4 2024/25

Special Board 30 June 2025

The Commercial Services Provision Outside Johannesburg Report was approved in principle, allowing management to proceed with stakeholder engagements and preparatory work. The approval was subject to the following conditions:

Implemented

- Completion of a feasibility study to evaluate the financial, operational, and legal implications.
- Obtaining a legal opinion to ensure compliance with relevant frameworks and regulations.
- Clear identification of the client (either the province or the municipality) and agreement on funding mechanisms.
- The establishment of a dedicated project team, led by the CFO, to oversee the initiative and address any grey areas identified during discussions.

The commercial services pricing increase of 4.6% for the 2025/26 financial year was unanimously approved by the Board, with members highlighting its alignment with strategic priorities and financial sustainability.

Implemented

The expenditure of R137 million was approved for write-off.

Implemented

The proposal for the transfer of casual workers employed under ad hoc contracts to Pikitup under Section 197 of the Labour Relations Act was unanimously approved by the Board, marking a significant step forward in addressing long-standing employment practices within the organisation. Board members reiterated the importance of ensuring seamless worker transitions under Section 197, advocating for continued diligence in executing the transfer process.

Implemented

BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Board of Directors Recommendations and Resolutions Q1 2025/26

24 July 2025	On recommendation of the ARC, the Board approved the revised Asset Management Policy with immediate effect.	Implemented
	The Board unanimously approved the Compliance Monitoring Plan for the 2025/26 financial year and directed management to: • Implement the Plan in full, with immediate effect. • Ensure all business units cooperate with the Compliance Unit during monitoring cycles. • Integrate findings from compliance reviews into risk and performance reporting frameworks. • Report quarterly on progress, challenges, and key observations to the ARC and Board.	Implemented
	Subject to comments, the Board approved the Enterprise Risk Management Plan for 2025/26 as the official risk management blueprint for the 2025/26 financial year. The Board adopted the revised Internal Audit Charter as the formal governing instrument for the Internal Audit function, with immediate effect.	Implemented
	The Internal Audit Plan for the 2025/26 financial year was adopted as tabled.	Implemented
	The UIFW Investigation Report for Q4 was noted and accepted.	Implemented
24 July 2025	The Fleet Management Report was noted, and fleet stabilisation was treated as a strategic imperative.	Implemented
	The revised Performance Management Policy was approved for implementation effective 01 August 2025.	Implemented
	The proposed 5.4% annual salary increment for all eligible employees was ratified, effective 01 July 2025.	Implemented
	The revised Conflict of Interest Policy was approved for immediate implementation.	Implemented
	The Integrated Communications and Stakeholder Management Strategy Plan was approved for immediate implementation.	Implemented
29 August 2025	The Communications and Stakeholder Management Policy was approved for implementation, effective immediately.	Implemented
	The Board endorsed the draft IAR for finalisation and submission within statutory timelines. Management was directed to submit final versions of the AFS and IAR to the ARC for verification before lodgement. The ARC was directed to monitor audit outcomes and provide feedback at the next Board meeting. Management was directed to prepare a funding and sustainability engagement plan for urgent discussion with the Shareholder.	Executed
	Management was directed to finalise and submit the Annual Performance Report to the Auditor-General within legislative timelines. The ARC was directed to monitor audit outcomes and alignment of the APR with the AFS and IAR. Corrective action progress on APR underperformance was to be tracked and tabled quarterly.	Implemented

BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Audit and Risk Committee Recommendations and Resolutions Q1 2024/25

24 July 2024	The ARC resolved to recommend the Q4 Business Performance Report for approval by the Board.	Implemented
	The ARC resolved to recommend the Q4 Finance Report for approval by the Board.	Implemented
	The ARC resolved to recommend the 2024/25 Strategic Risk Assessment Report for approval by the Board.	Implemented
	The ARC resolved to recommend the 2024/25 Enterprise Risk Management Plan for the approval by the Board.	Implemented
	The ARC resolved to recommend the Compliance Monitoring Plan for the approval by the Board.	Implemented
	The ARC resolved to approve the Internal Audit Charter for implementation.	Implemented
	The ARC resolved to approve the 2024/25 Internal Audit Plan for implementation.	Implemented
	The ARC resolved to recommend the audit of pre-determined objectives SOPs for approval by the Board.	Implemented
24 July 2024	The ARC resolved to recommend the probity audits SOPs for approval by the Board.	Implemented
	The ARC resolved to refer back the Investigation of UIFW expenditure SOPs for further consultations between the CAE and the CFO for consideration at the next quarterly meeting.	Implemented
26 August 2024	The ARC resolved to recommend the 2023/24 Draft Unaudited Financial Statements for approval by the Board.	Implemented
	The ARC resolved to recommend the 2023/24 Draft Integrated Annual Report to the Board.	Implemented

Audit and Risk Committee Recommendations and Resolutions Q2 2024/25

26 August 2024	The ARC resolved to recommend the Q1 Business Performance Report for approval by the Board.	Implemented
	The ARC resolved to recommend the ARC Charter for approval by the Board	Implemented
	The ARC resolved to recommend the UIFW Write-Off Report for approval by the Board.	Implemented
	The ARC resolved to recommend the AGSA Management Report 2023/24 for approval by the Board.	Implemented

BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Audit and Risk Committee Recommendations and Resolutions Q2 2024/25

28 November 2024

The ARC resolved to recommend the AGSA Audit Report 2023/24 for approval by the Board.

Implemented

The ARC resolved to recommend the 2023/24 Audited Financial Statements for approval by the Board.

Implemented

The ARC resolved to recommend the 2023/24 Integrated Annual Report for approval by the Board.

Implemented

22 January 2025

The ARC resolved to recommend the Q2 Business Performance and Financial Report for approval by the Board.

Implemented

The ARC approved the ARC Work Plan, subject to the agreed amendments being implemented.

Implemented

The ARC resolved to recommend the 2025/26 Tariff Proposal Report for approval by the Board.

Implemented

Audit and Risk Committee Recommendations and Resolutions Q3 2024/25

25 April 2025

The ARC resolved to recommend the Q3 Business Performance Report for approval by the Board.

Implemented

The ARC resolved to recommend the Q3 Financial Report for approval by the Board.

Implemented

The ARC resolved to recommend the Mid-year Budget Adjustment Report for ratification by the Board.

Implemented

The ARC resolved to recommend the ICT Policy for approval by the Board.

Implemented

The ARC resolved to recommend the ICT Policy Governance Framework for approval by the Board.

Implemented

25 April 2025

The ARC resolved to recommend the ICT Charter for approval by the Board.

Implemented

The ARC resolved to recommend the ICT Strategy for approval by the Board.

Implemented

The ARC resolved to recommend the UIFW Write-Off Report for approval by the Board.

Implemented

Audit and Risk Committee Recommendations and Resolutions Q4 2024/25

30 June 2025

The ARC resolved to recommend the Commercial Services Outside Johannesburg Report for in-principle approval by the Board.

Implemented

The ARC resolved to recommend the Commercial Services Pricing Report for approval by the Board.

Implemented

The ARC resolved to recommend the UIFW Expenditure Report for ratification by the Board.

Implemented

BOARD OF DIRECTORS RECOMMENDATIONS AND RESOLUTIONS

Audit and Risk Committee Recommendations and Resolutions Q1 2025/26

17 July 2025

The ARC resolved to recommend the Q4 Business Performance Report for approval by the Board.

The ARC resolved to recommend the Q4 Financial Report for approval by the Board.

The ARC resolved to recommend the Asset Management Policy for approval by the Board.

The ARC resolved to recommend the Compliance Management Policy for approval by the Board.

The ARC resolved to recommend the Compliance Monitoring Plan for approval by the Board.

The ARC resolved to recommend the ERM Plan for approval by the Board.

The ARC resolved to approve the Internal Audit Plan.

The ARC approved the revised Internal Audit Charter.

27 August 2025

The ARC resolved to recommend the draft Integrated Annual Report for approval by the Board.

The ARC resolved to recommend the Audit of Predetermined Objectives Report for approval by the Board.

The ARC resolved to recommend the Report on the Analysis of Q4 Performance Results – 2024/25 for approval by the Board.

APPENDIX B: COMMITTEES AND COMMITTEE PURPOSE



The Board has convened the following three subcommittees: Audit and Risk Committee (ARC), Operations and Service Delivery Committee, and Social, Ethics, Human Resources and Remuneration Committee (SEHRRC). The charters approved by the Board of Directors govern these committees.

Audit and Risk Committee

The role of the ARC is to assist the Board by performing an objective and independent review of the functioning of the entity's finance and accounting control mechanisms. It exercises its functions through close liaison and communication with senior management and the internal and external auditors.

A. The legislated duties of the ARC, as set out in the MFMA, are:

1. Reviewing and recommending for approval by the Board:
 - The Risk Management Policy
 - The Risk Management Strategy
 - The Risk Management Implementation Plan
 - Pikitup's risk appetite, ensuring that limits are:
 - Supported by a rigorous analysis and expert judgement
 - Expressed in the same values as the key performance indicators to which they apply
 - Set for all material risks individually, as well as in aggregate for categories of risk
 - Consistent with the materiality and significance framework
 - Pikitup's risk tolerance, ensuring that limits are supported by a rigorous analysis and expert judgement of:
 - The institution's ability to withstand significant shocks
 - The institution's ability to recover financially and operationally from significant shocks
 - Pikitup's risk identification and assessment methodologies
2. Evaluating the extent and effectiveness of integration of risk management within Pikitup
 3. Assessing implementation of the Risk Management Policy and Strategy (including the Business Plan)
 4. Evaluating the effectiveness of the mitigating strategies implemented to address material risks
 5. Reviewing the material findings and recommendations by assurance providers on the system of risk management and monitoring the implementation of such recommendations
 6. Developing its own key performance indicators for approval by the Board
 7. Interacting with the Board to share information relating to material risks
 8. Providing timely and useful reports to the Board on the state of risk management, together with accompanying recommendations to address any deficiencies identified by the committee

9. Considering:

- Whether management has a comprehensive risk management framework
- Whether a sound and effective approach has been followed in developing strategic risk management plans
- The impact of the organisation's risk management framework on the control environment
- The impact of the organisation's fraud prevention plan, to be satisfied that the organisation has appropriate processes and systems to capture, monitor, and investigate fraudulent activities

B. To exercise appropriate oversight and to provide meaningful counsel under this critical mandate, the ARC must have a detailed understanding of Pikitup's:

- Mandate, objectives, and performance targets
- Significant risk factors and opportunities
- System of risk management, including the process for identifying, evaluating, prioritising, and managing risks, and monitoring the effects of actions taken to manage risks within predetermined parameters
- Risk governance, including the appropriateness of the risk policy and strategies, institutional arrangements, and capacity to manage risk
- Current risk profile and actions proposed or being taken to manage risks falling outside predetermined parameters, and to exploit opportunities
- Emerging risks, the institution's preparedness to cope, and plans to build resilience

C. The ARC needs to develop this knowledge through its own initiatives, as well as through engagements with at least the following stakeholders:

- The Shareholder
- The Board of Directors
- The Managing Director
- Executive management
- Senior/line management (heads of the various business units)
- Board subcommittees
- The Auditor-General of South Africa
- Internal auditors
- Other assurance providers, including regulatory, monitoring, and oversight authorities

D. To ensure the necessary skills and experience in the ARC, it is recommended by Treasury that members should be selected from different areas of expertise to enhance the Committee's overall knowledge of the organisation. The appointed members collectively possess the following:

- Broad business, corporate governance, and/or financial management experience
- Public-sector experience
- An understanding of the business in which the organisation operates
- Familiarity with risk management practices
- An understanding of internal controls
- An understanding of major accounting practices and public-sector reporting formats
- Familiarity with legislative requirements
- An understanding of the roles of internal and external audit

E. The induction of new members of the ARC took place in the year under review, with independent ARC members also included in the strategy workshop to develop the Pikitup Strategy and Business Plan.

F. The Chief Audit Executive (CAE) provides opinions on the organisation's efficiency and effectiveness in risk management, internal control, corporate governance, and performance management. The CAE's analysis encompassed the following:

- Assessing the effect of each risk on the objectives
- Considering relevant risk management activities applied to the risk
- Assessing the effectiveness of such activities
- Identifying any actions needed to improve risk management activities

G. Risk management measures are identified and their effectiveness is assessed in relation to the identified risk.

H. The performance of the ARC was monitored and assessed through the following indicators:

- The results of the ARC's own 360-degree assessment
- The committee's coordination of the work of Internal Audit, External Audit, and other assurance providers in respect of risk management
- The quality and timeliness of the ARC's counsel and recommendations on matters concerning the system of risk management



I. The ARC complied with its duties as legislated in the Companies Act as follows:

- Considered the audit fee and the Auditor-General's terms of engagement
- Determined the nature and extent of non-audit services to be executed by Internal Audit
- Pre-approved any proposed agreement with Internal Audit for the provision of non-audit services
- Prepared a report to be included in the annual financial statements (AFS) describing how the ARC carried out its functions, confirming that the auditor was independent, and commenting on the entity's financial statements, accounting practices, and internal financial control measures
- Received and addressed complaints made directly to the ARC by the public and other stakeholders
- Made submissions to the Board on the entity's accounting policies, financial controls, and records and reporting
- Executed all functions as designated or delegated to it by the Board under its terms of reference

Service Delivery Committee

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

1. Operational methodologies and related technical aspects, such as landfill management and fleet management, of Pikitup's business operations
2. The environmental impact of Pikitup's operations
3. Pikitup's waste minimisation research, development, and overarching programmes, such as waste-to-energy conversion and separation at source
4. Capital expenditure oversight
5. The effective deployment of technology infrastructure to optimise Pikitup's performance and sustainability objectives, while ensuring the availability of relevant, timely, and accurate business information and technical support
6. Ensuring alignment between the functional areas and objectives of Pikitup's strategic framework
7. Informing the formulation of the strategic framework as it pertains to Pikitup's business and its impact on the communities in which Pikitup delivers municipal services
8. Ensuring that the inherent and emerging risks arising from the formulation and implementation of the strategies are appropriately managed and that any opportunities that may present themselves are optimally used to enhance Pikitup's performance

9. The OSDC gave effect to its role in the following areas:

- Ensuring that the quality of Pikitup's services and the trust and confidence of Pikitup's stakeholders were given priority
- Promoting the sustainability of the municipal waste management services rendered by Pikitup, with due regard to its nature as a municipal-owned entity of the City of Johannesburg (CoJ)
- Advising the Accounting Officer and informing the Board in a manner that assisted Pikitup in obtaining and maintaining an Information Technology (IT) Governance Framework that:
 - Supports effective and efficient management and decision-making on the use of IT resources and the management of IT-related risks
 - Aligns the entity's performance and sustainability objectives
 - Ensures that IT is exploited in a way that most effectively supports the business strategy, delivers value, and improves performance
 - Ensures that the IT Strategy is integrated into the entity's strategic and business processes and that IT adds value
 - Ensures that the information and intellectual property contained in information systems are protected
 - Monitors and evaluates significant IT investments and expenditure for value and return on investment

Social, Ethics, Human Resources, and Remuneration Committee

The SEHRRC's mandate is to monitor activities regarding relevant legislation, legal requirements, or prevailing codes of best practice relating to:

1. Social and economic development, including the entity's standing in terms of the goals and purposes of the following principles, as set out in the United Nations Global Compact:
 - Human rights (supporting and respecting the protection of proclaimed human rights)
 - Labour standards (upholding the freedom of association and the effective recognition of the right to collective bargaining and the elimination of discrimination in respect of employment and occupation)
 - Environment (undertaking initiatives to promote environmental responsibility)
2. Anti-corruption (work against corruption in all its forms, including bribery and extortion)
3. Recommendations on corruption
4. The Employment Equity Act
5. The Broad-Based Black Economic Empowerment Act
6. Good corporate citizenship (including maintaining a record of sponsorships, donations and charitable giving, and development of communities in which its activities are conducted)
7. The environment, health, and public safety – including the impact of the entity's activities and services
8. Consumer relationships, including the entity's advertising, public relations, and compliance with consumer protection laws

9. Labour and employment, including:

- The entity's standing in terms of the International Labour Organization protocol on decent work and working conditions

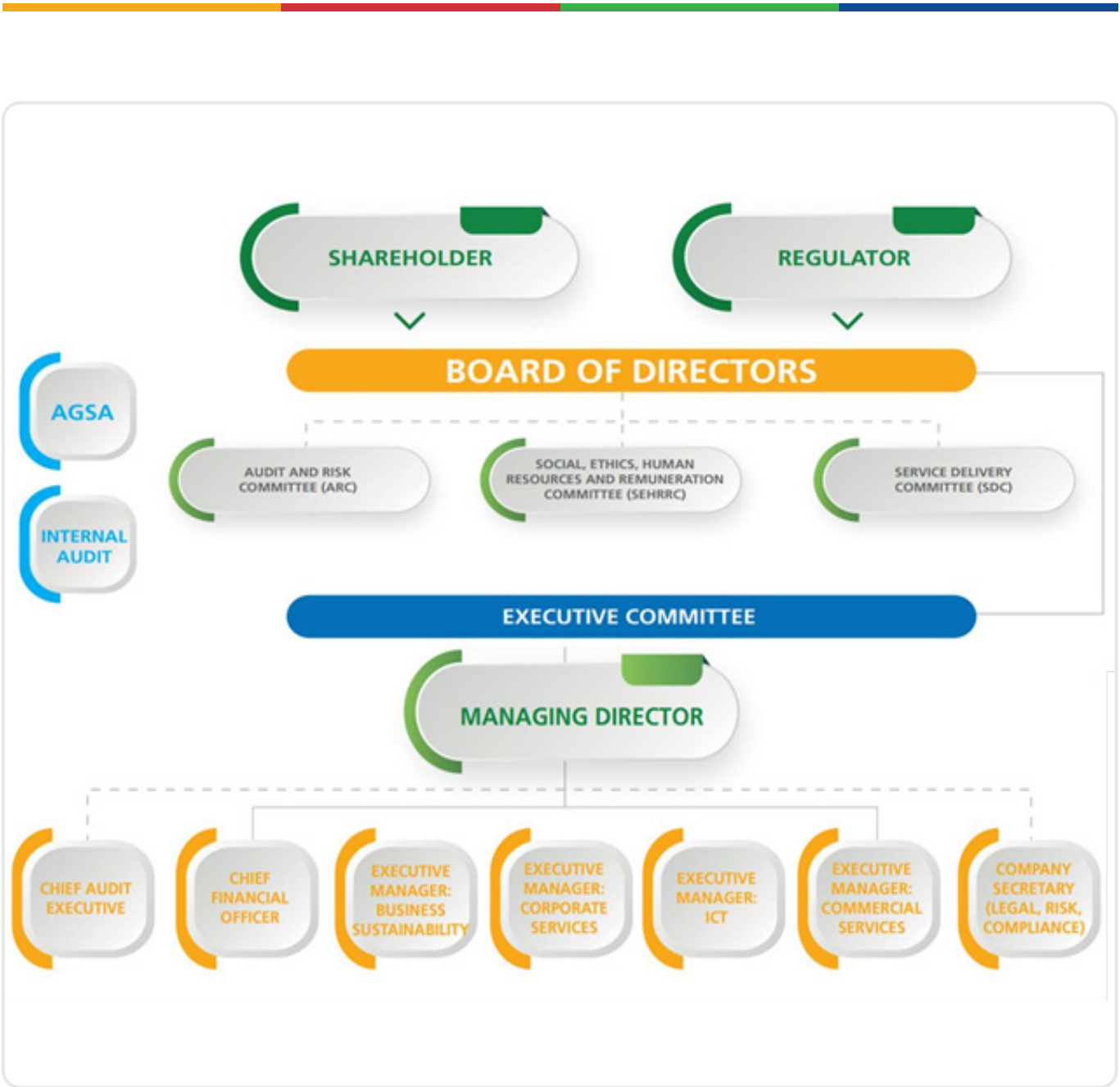
10. The entity's employment relationships and its contribution towards the educational development of its employees, including matters relating to:

- Labour relations: All policy matters affecting the employer–employee relationship
- Staffing: All policy matters regarding the recruitment, selection, appointment, and remuneration of executives
- Social well-being of staff: Considering and making recommendations on policy matters that affect the mental, social, and physical well-being of staff
- HR Strategy and organisational structure



APPENDIX C: THIRD TIER ADMINISTRATIVE STRUCTURE





APPENDIX D: FUNCTIONS OF THE ENTITY



A. Waste Reduction and Avoidance

Pikitup prioritises waste reduction and avoidance, which has the potential to conserve resources, save energy, and reduce pollutants and greenhouse gas emissions. In addition, waste reduction and avoidance can reduce solid waste collection system costs and preserve landfill airspace. Waste reduction and avoidance include the design, manufacture, purchase, or use of materials, such as products and packaging, to reduce their quantity and toxicity before they enter the solid waste management system.

B. Waste Services

The services provided by Pikitup in the City of Johannesburg (CoJ) are provided in terms of the legislative prescripts of integrated waste management and encompass the following:

- Gathering demographic information
- Assessing waste generation, quantities, and types
- Maintaining the status quo of services for collection, minimisation, reuse, recovery, treatment, and disposal of waste
- Identifying people not receiving waste collection services
- Identifying poor waste management and its negative health and environmental impacts
- Establishing and implementing targets and initiatives for waste minimisation, reuse, recycling, and recovery
- Incorporating best environmental practices
- Identifying implementation measures
- Planning new facilities for disposal and decommissioning of existing waste disposal facilities
- Indicating financial resources required to implement projects.

To this end, Pikitup's services entail:

- Waste services to all 312 informal settlements recognised by the CoJ Housing Department
- Formal settlement waste management services
- Waste minimisation through waste diversion activities related to green waste, builders' rubble, and dry recyclables
- Refuse collection rounds
- Street cleaning
- Clearing of illegal dumping
- Fleet availability management
- Waste disposal
- Commercial refuse collection

C. Storage and Collection

Providing proper storage and collection of municipal solid waste is one of Pikitup's fundamental roles and is necessary to ensure the protection of human health. To this end, Pikitup provides 240L bins to households, 85L plastic bags, and skip bins to ensure proper storage of waste.

D. Resource Recovery

Resource recovery is critical for Pikitup in that it conserves natural resources, energy, and landfill airspace, while providing useful products and economic benefits. These materials must, however, be processed and reused to reduce the waste stream. Pikitup's capital expenditure plans include the construction of material recovery facilities, transfer stations, and buy-back centres to further its mandate in this regard.

E. Disposal

Pikitup operates four landfill sites in compliance with regulations, guidelines, and licence conditions. This ensures protection of the environment. The entity also plans to optimise and rehabilitate landfills with improved liner systems, leachate control systems, storm water control systems, landfill gas control systems, environmental monitoring systems, and final cover systems. Closed landfill sites pose a threat to the environment, and the entity continuously takes steps to rehabilitate these sites to minimise adverse impacts on the environment. These activities include re-contouring of the site to achieve desired closure grades (for surface water control), placing final capping, and installing storm water, leachate, and landfill gas management systems.

F. Public Awareness and Education

The public must be made aware of the relationship between managing solid waste and the protection of human health and the environment. Consistency of messaging is key, with emphasis placed on minimising littering and illegal disposal. These messages are conveyed to the public through a variety of methods, including television, radio, and newspapers, characters and icons to promote recycling, and community environment or clean-up days. Given the diversity of Johannesburg's population, the messages are communicated in multiple languages.



APPENDIX E: DISCLOSURE OF FINANCIAL INTERESTS



Employee Level	% Declaration
Non-Executive Directors	100%
Level F	100%
Level E	100%
Level D	100%
Level C	100%
Level B	100%
Level A	100%



Declarations of Interest of Non-Executive Directors and Executive Management are listed in the table below.

The following details of financial interests are disclosed:

- The number, nature, and nominal value of shares of any type in any public or private company
- The name of that company
- The nature and value of any other financial interests held in a private or public company

Department	Position Held	Full Name	SAP/Employee Number	ID Number (SA Citizen)	Passport Number (Non-SA Citizen)	Details of financial interests
Legal, Governance, and Compliance	Company Secretary	Matsobane Larry Mallela	10018328	820612 5395 08 2	N/A	100% Ntinti Capital
Managing Director's Office	Managing Director	Bukelwa Princess Njingolo	110043266	690319 0610 08 8	N/A	Asake Business Enterprise – 50% CoJ Municipal account Ehlathini CC – Dormant Bunji CC – 100% Dormant Golden Investments – Affiliation
Internal Audit	Chief Audit Executive	Lefufisha Derold Selepe	10101284	750604 5404 08 3	N/A	LDS Premium Properties – 100% shareholder (newly registered company) CoJ municipal account
Finance	Chief Financial Officer	Litshani Sydney Matsila	10016326	780509 5484 08 0	N/A	Mungana Investment Group (Pty) Ltd – 100% shareholding and sole Director Mungana Sand and Bricks (Pty) Ltd – 100% shareholding and sole Director Mungana Plant Hire (Pty) Ltd – 100% shareholding and sole Director Mungana Accommodation and Leisure (Pty) Ltd – 100% shareholding, sole Director, and municipal account

Department	Position Held	Full Name	SAP/Employee Number	ID Number (SA Citizen)	Passport Number (Non-SA Citizen)	Details of financial interests
						Mungana Trading (Pty) Ltd –100% shareholding and sole Director Litshani Matsila Foundation –100% shareholding and Director Mungana Consulting (Pty) Ltd – 100% shareholding, sole Director and CoJ municipal account
Human Resources	Executive Manager: Corporate Services	Ndidzulafhi Joyce Ndou	10113365	690530 0359 08 4	N/A	Collate 2003/111470/23 (five members)
Administration	Non-Executive Director	Simon Hai Shi	Non-Executive Director	670611 5837 08 6	N/A	Good Hope Chinese Media Express CC –100% Ping Upholstery Suppliers CC – 100%, Southern Africa Shanghai Industrial and Commercial Liaison Association Six Star Street Properties – CC CoJ municipal account
Governance	Non-Executive Director	Ntona Success Marota	Non-Executive Director	800910 5432 08 5	N/A	CoJ municipal account
Administrator	Non-Executive Director	Sebenzile Pertunia Mkhonto	Non-Executive Director	880926 0453 08 5	N/A	Babble Cloud
Governance	Non-Executive Director	Malewa Radebe	Non-Executive Director	880430 5637 08 1	N/A	None

Department	Position Held	Full Name	SAP/Employee Number	ID Number (SA Citizen)	Passport Number (Non-SA Citizen)	Details of financial interests
Managing Director's Office	Non-Executive Director	Nonkululeko Nontobeko Ntuli	Non-Executive Director	931222 1040 08 2	N/A	Gordon Institute of Business Science (Educational)
Governance	Non-Executive Director	Khumo Mogagole	Non-Executive Director	940728 0831 08 0	N/A	CoJ municipal account
Governance	Non-Executive Director	Ndivhuho Aggie Sekoba	Non-Executive Director	621103 0478 08 0	N/A	CoJ municipal account
Administrator	Non-Executive Director	Leapia Noluthando Stonto Msibi	Non-Executive Director	760929 0708 08 1	N/A	Sevod (Pty) Ltd – 100% ownership The Hive Salon and Beauty ICASA – Regulatory and CoJ municipal account
Governance	Non-Executive Director	Shamila Singh	Non-Executive Director	700116 0040 08 6	N/A	CoJ municipal account
Governance	Non-Executive Director	Sajidah Gaffoor	Non-Executive Director	870407 0229 08 2	N/A	None
Board Member/ Non-Executive	Non-Executive Director	Maxwell Nedzamba	Non-Executive Director	750918 5607 08 5	N/A	Momes Fruits and Vegetables
Board Member/ Non-Executive	Non-Executive Director	Masingita Marvelous Ndhlovu	Non-Executive Director	831022 5493 08 4	N/A	50% Gondlolo Holdings (They are worth nothing at the moment)

Department	Position Held	Full Name	SAP/Employee Number	ID Number (SA Citizen)	Passport Number (Non-SA Citizen)	Details of financial interests
Board Member/ Non-Executive	Non-Executive Director	Thabo Mochadi Mokwena	Non-Executive Director	900117 5797 08 2	N/A	No
Governance	Non-Executive Director	Otsile Maseng	Non-Executive Director	750313 5320 08 9	N/A	Masedi Devco, Maseng Projects & Consulting and CoJ municipal account
Governance	Non-Executive Director	Thapelo Moshe Bodila	Non-Executive Director	880124 5520 08 8	N/A	CoJ municipal account
Governance	Non-Executive Director	Thapelo Moshe Bodila	Non-Executive Director	880124 5520 08 8	N/A	CoJ municipal account

APPENDIX F: REVENUE COLLECTION PERFORMANCE



Period	Billed Revenue (VAT incl.)	Received/Collected	% Collection
Jul-24	299 431 443	–	0.0%
Aug-24	305 697 589	294 087 148	96.2%
Sept-24	301 751 293	–	0.0%
Oct-24	295 090 471	–	0.0%
Nov-24	303 601 639	160 235 242	52.8%
Dec-24	311 346 407	504 972 255	162.2%
Jan-25	304 752 707	241 897 210	79.4%
Feb-25	301 658 984	–	0.0%
Mar-25	304 989 189	432 031 349	141.7%
Apr-25	300 913 475	–	0.0%
May-25	343 308 776	436 784 971	127.2%
Jun-25	318 896 860	236 945 369	74.3%
Calendar Year	3 691 438 832	2 306 953 543	62.5%
2024/25 YTD	3 691 438 832	2 306 953 543	62.5%

APPENDIX G: CAPITAL EXPENDITURE PROJECTS



Item No.	Contract Number	Project description	Project Budget 2024/25 FY	Actual	Comments and progress update (30 June 2025)
Compliance-Related Projects: Landfill Sites					
1	PU111/2022	Phase 1 construction of a guard house, reinforced concrete boundary wall, a stormwater management system, the installation of boreholes, and dewatering at Goudkoppies Landfill Site	7 878 654	7 878 654	The project is 100% complete.
2	Goudkoppies/2024	Phase 2 construction of a new temporary leachate pond, the installation of a leachate pumping system, and the rehabilitation of the existing contaminated pond at Goudkoppies Landfill Site	19 678 678	16 842 677	The contractor has achieved 22% physical progress on this multi-year project.
3	PU065/2018	Consulting services for stages 5 and 6 at Goudkoppies Landfill Site	2 442 668	2 181 017	The consultant is supervising construction for Phase 2 of the project.
4	PIK051/2023-24	Construction of a reinforced concrete boundary wall at Robinson Deep Landfill Site.	5 486 000	3 221 747	The contractor has achieved 38% physical progress but has suspended work on site due to delayed payments.
5	PIK031/2022-23	Construction of a sorting facility for reclaimers at Robinson Deep Landfill Site	11 264 000	11 263 884	The physical construction progress is at 97%, but the contractor has suspended work on site due to delayed payments.
6	PIK028/2022-23	Upgrading of the leachate pond at Robinson Deep Landfill Site	9 980 000	9 979 955	The project reached 89% completed in December 2024. However, the pond is overflowing and has been inoperable since 06 January 2025. The geosynthetic clay liner was damaged when the dam overflowed and requires replacement.
7	PU065/2018	Consulting services at Robinson Deep Landfill Site	21 270 000	18 341 748	The consulting engineers are overseeing the construction of three projects. They are also developing the new cell designs.

Item No.	Contract Number	Project description	Project Budget 2024/25 FY	Actual	Comments and progress update (30 June 2025)
Compliance-Related Projects: Landfill Sites					
8	Marielouise/ 2024	Phase 1 construction of a reinforced concrete boundary wall at Marie Louise Landfill Site	21 704 000	3 446 197	The contractor has achieved 23% physical progress.
9	PU065/2018	Consulting services at Marie Louise Landfill Site	3 000 000	2 400 316	The consulting engineers are managing the Phase 1 construction of a reinforced concrete boundary wall, and have completed the Phase 2 designs of the leachate pond at Marie Louise Landfill Site.
10	JDA	Phase 1 construction of a sorting facility for reclaimers, a stormwater management system, and access roads at Linbro Park Landfill Site.	16 473 938	6 999 285	The contractor has achieved 40% physical progress.
11		Consulting services for stages 5 and 6 at Linbro Park Landfill Site	1 075 281	1 075 282	The consultant is supervising construction for Phase 1 of the project.
12	JDA	Construction of a reinforced concrete boundary wall at Ennerdale Landfill Site	9 990 000	2 632 752	The contractor has commenced construction works and has achieved 18% physical progress.
13		Consulting services from for stages 5 and 6 at Ennerdale Landfill Site	6 800 000	2 379 487.16	The consulting engineers are overseeing the Phase 1 construction, which involves erecting a reinforced concrete boundary wall. They have also completed the Phase 2 designs, which include developing a new cell and constructing office infrastructure. However, they have currently suspended their services due to non-payment.
Subtotal			137 043 219	88 643 001.16	

Item No.	Contract Number	Project description	Project Budget 2024/25 FY	Actual	Comments and progress update (30 June 2025)
Equipment and Facilities Projects					
1	PIK032/2022-23	Phase 2 construction of an ablution facility and boundary wall, installation of a sound and HVAC system in a hall, and renovation of the administration building at Marlboro Depot	6 604 367	4 270 841	The contractor has achieved 95% physical progress. The project was expected to be completed before the end of June 2025, but the contractor left the site for more than a month due to non-payment.
2	PU065/2018MAR	Consulting services for stages 5 and 6 for Marlboro Depot Phase 2	1 216 633	–	The consulting engineers are managing the construction.
3	PU065/2018/SEL	Consulting services for stages 5 and 6 for Phase 1 construction of a sewer pipeline and upgrading of ablution facilities at Selby Depot	2 761 718	2 761 718	The project is complete.
4	JDA	Phase 1 construction of a boundary wall, stormwater management systems, civil services (water and sewer network), earthworks/platforms, and a guardhouse at Midrand Depot (Rabieridge Extension 1).	9 000 000	8 950 631	The contractor has achieved 20% physical progress.
5	PU065/2018/MID	Consulting services from stages 1 to 6 at Midrand Depot (Rabie Ridge Extension 1)	1 500 000	1 216 046	The consulting engineers are managing the construction of Phase 1 construction of a boundary wall, stormwater management systems, civil services (water and sewer network), earthworks/platforms, and a guardhouse. They have completed the Phase 2 designs, which include the construction of an administrative office building and male and female ablutions for workers. However, they have currently suspended their services due to non-payment.
6	Zondi boundary/ 2024	Appointment of a contractor with a CIDB grading of 5GB or higher for the construction of a facebrick boundary wall at Zondi Depot	5 038 282	4 162 318	The contractor has achieved 55% physical progress.

Item No.	Contract Number	Project description	Project Budget 2024/25 FY	Actual	Comments and progress update (30 June 2025)
Equipment and Facilities Projects					
7	RFQ	Data and network cable connections at Waterval Depot	553 869	383 530	Physical progress is at 69% . The project was expected to be completed before the end of June 2025, but the contractor left the site for more than a month due to non-payment.
8	RFQ	Supply, delivery, and offloading of office equipment as and when required	500 000	240 141	The project is complete.
Subtotal			27 174 869	21 985 225	
Special Equipment and New Fleet					
1	Transversal Contract	New fleet – Procurement of tipper trucks for illegal dumping and a forklift for stores	14 436 000	14 168 650	Seven tipper trucks for clearing illegal dumping and a forklift for stores were procured through a transversal contract, and all have been delivered.
Subtotal			14 436 000	14 168 650	
ICT Hardware and Software					
1	Transversal Contract	Supply of ICT hardware and software	5 000 000	4 001 806	The project is complete
2	MTC		5 250 000	5 250 000	The project is complete
Subtotal			10 250 000	9 251 806	

Item No.	Contract Number	Project description	Project Budget 2024/25 FY	Actual	Comments and progress update (30 June 2025)
Bulk or Skip Bins					
1	PU093/2020	Supply, delivery, and offloading of bulk or skip bins	5 000 000	4 885 290	To date, 55 6-m³ skip bins and 80 5.5-m³ skip bins have been received from the service provider.
Subtotal			5 000 000	4 885 290	
Integrated Waste Management Facility					
1	JDA	Upgrading of Woodmead Garden Site into an integrated waste management facility (IWMF) (stages 3 and 4 fees)	10 000 000	1 076 342	Construction is in progress.
2	JDA	Construction of a new IWMF in Bezuidenhout (stages 3 and 4 fees)	5 418 000	2 500 000	Construction is in progress.
3	JDA	Construction of a new IWMF at Linbro Park Landfill Site	7 157 711	1 274 276,51	Construction is in progress.
4	JDA	Upgrading of Mondeor Garden Site into an IWMF	5 513 000	3 558 737	Construction is in progress.
5	JDA	Construction of a new IWMF at Florida	3 417 834	3 417 834	Construction is in progress.
6	PU065/2018	Consulting services for the garden sites	5 533 367	5 533 367	Professional services for stages 4 to 6 are in progress.
Subtotal			37 039 912	17 360 557	

Integrated Waste Management Facility					
1	IFC	Review and analysis of solid waste management in the City of Johannesburg	6 000 000	–	The draft situational analysis of solid waste management in the City of Johannesburg has been completed and will be presented to Pikitup by the end of July 2025.
2	PPPSG	Feasibility studies for establishing IWMFs at Linbro Park, Kya Sands, and Marie Louise	11 507 52	–	Marie Louise Landfill Site: The overall feasibility study is 28% complete, and Phase 1: Preliminary Feasibility Assessment is 56% complete. Linbro Park Landfill Site: The overall feasibility study is 7% complete, and Phase 1: Preliminary Feasibility Assessment is 18% complete. Kya Sands Landfill Site: The overall feasibility study is 9% complete, and Phase 1: Preliminary Feasibility Assessment is 22% complete.
Total as of 30 June 2025			225 694 000	151 044 528.67	
Approved budget for the 2024/25 financial year			254 994 000		

APPENDIX H: COMMUNITY SERVICE BACKLOGS (EXTERNAL SPHERES OF GOVERNMENT)



This appendix outlines the service backlogs experienced by the community in instances where another sphere of government is responsible for service provision

Household service backlogs

Service	Total households in the CoJ	Households serviced	Backlog no. of households
Refuse removal at least once a week	908 208	908 208	908 208
		100%	100%

ANNEXURE 2: FINANCIAL STATEMENTS



GENERAL INFORMATION

Country of incorporation and domicile	South Africa
Nature of business and principal activities	Provides waste management services on behalf of The City of Johannesburg Metropolitan Municipality to the residents and businesses within the City of Johannesburg Metropolitan Municipality geographic area.
Registered office	Jorissen Place 66 Jorissen Street Braamfontein Johannesburg 2001
Business address	Jorissen Place 66 Jorissen Street Braamfontein Johannesburg 2001
Postal address	Private Bag X74 Braamfontein Johannesburg 2001
Controlling entity	The City of Johannesburg Metropolitan Municipality incorporated in South Africa
Bankers	Standard Bank of South Africa ABSA
External auditor	The Auditor General South Africa
Company registration number	2000/029899/07

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Abbreviations used:

COIDA	Compensation for Occupational Injuries and Diseases Act
SDA	Service Delivery Agreement
GRAP	Generally Recognised Accounting Practice
ME	Municipal Entity
CoJ	City of Johannesburg
SARS	South African Revenue Services
MFMA	Municipal Finance Management Act
mSCOA	Municipal Standard Chart of Accounts
CJMM	City of Johannesburg Metropolitan Municipality
USDG	Urban Settlement Development Grant

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required by the Municipal Finance Management Act (Act no. 56 of 2003) (MFMA), and Companies Act of South Africa (Act no.71 of 2008), to maintain adequate accounting records and are responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the directors to ensure that the annual financial statements fairly present the state of affairs of the entity as at the end of the financial year and the results of its operations and cash flows for the period then ended. As required by s188 of the Constitution and s92 of the MFMA, the Auditor General is required to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related information.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the entity and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board sets standards for internal control aimed at reducing the risk of error in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the entity and all employees are required to maintain the highest ethical standards in ensuring the entity's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the entity is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, the entity endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement.

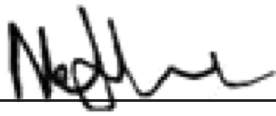
The directors have reviewed the entity's financial performance and the current financial position, they are satisfied that the entity has access to adequate resources to continue in operational existence for the foreseeable future.

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The annual financial statements are prepared on the basis that the entity is a going concern and that the entity has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the board are primarily responsible for the financial affairs of the entity, they are supported by the entity's management led by the accounting officer.

The annual financial statements set out from page 7, which have been prepared on the going concern basis, were approved by the board on 29 August 2025 and were signed on its behalf by:



Director
Mr Nedzamba M (Chairperson)



Director
Ms Njingolo B (Managing Director)

AUDIT AND RISK COMMITTEE REPORT

The audit and risk committee report presents its report for the financial year ended 30 June 2025 as recommended by the King IV report and in compliance with section 94(7)(f) of the Companies Act (Act no. 56 of 2008) and section 166 of the MFMA. audit and risk committee has adopted formal terms of reference that have been approved by the Board of directors. The committee has conducted and discharged its affairs and its responsibilities in compliance with its terms of reference, King IV, Section 94(7)(f) of the Companies Act and section 166 of the MFMA. Pikitup is compliant with King IV as applicable to a wholly owned entity of the Johannesburg Metropolitan Municipality.

Audit and Risk Committee responsibility.

The Audit and Risk Committee has adopted appropriate formal terms of reference as its charter. The committee has regulated its affairs in compliance with this charter and has discharged all its responsibilities as contained therein. In the conduct of its duties, the committee reviewed its charter during the period under review.

Audit and risk committee members and attendance

The Audit and Risk Committee consists of non- executive and independent members listed hereunder and met 7 times during the financial year to review matters necessary to fulfil its role:

Name of member	Number of meetings attended
Mr Marota N S – Chairperson (Appointed 01 March 2023)	7
Mr Radebe M (Appointed 01 March 2023)	7
Ms Gaffoor S (Appointed- 01 March 2024)	6
Ms Msibi N (Appointed -31 July 2024)	7
Ms Ntuli N (Appointed -31 July 2024)	7
Prof Singh S (Appointed -31 July 2024)	7
	–

Audit & Risk committee responsibility Internal audit

In line with the requirements of the MFMA and the King IV Report on Corporate Governance, Internal Audit provides the Audit and Risk Committee and management with assurance that the internal controls are appropriate and effective. This has been achieved by means of the risk management process, as well as the identification of corrective actions and recommendations to the controls and processes as follows:

AUDIT AND RISK COMMITTEE REPORT

- Considered the effectiveness of Internal Audit, which included approving the three year rolling plan and reviewed the Internal Audit Charter;
- Considered internal audit reports in respect of effectiveness and adequacy of the company's internal controls, systems and processes;
- Reviewed the adequacy and appropriateness of management's corrective action plan emanating from audit findings;
- Made appropriate recommendations to the Board regarding the corrective actions to be taken emanating from the audit findings.

The internal audit function, led by the Chief Audit Executive, has direct functional reporting line to the Chairman of the Audit and Risk Committee. The annual audit plan is reviewed regularly to ensure that it remains relevant and responsive to the identified risks. The internal audit unit follows a risk based audit approach to develop its annual audit plan. The entity has an in-house internal audit unit which is supported by a panel of co-sourced internal audit providers.

External audit

The Committee is satisfied with the independence of the Auditor General South Africa. Auditor General South Africa does not provide any non-audit services to the entity. The Committee is also aware of the rotation of managers by the external auditors which mitigates the familiarity threat to independence between them and management. The committee discharged its duties in relation to external audit as follows:

- Considered the audit engagement letter and audit strategy of the external auditor and made appropriate recommendations thereof.
- Considered the Audit and Management reports in respect of the financial statement, performance information (Pre-determined objectives), and the effectiveness of Pikitup's internal control environment, systems and processes
- Made appropriate recommendations to the Board and management regarding the corrective actions to be taken as a consequence of audit findings.
- Monitored the implementation of the recommendations from the audit findings and the planned resolution thereof.

King IV recommendations

The assurance work conducted by assurance providers during the year encompassed the principles of King IV. Based on the assurance work provided, the Audit and Risk Committee is satisfied that King IV recommendations, where applicable, have been complied with during the year.

The Committee views the system of internal controls applied by the entity over financial and risk management as being partly effective, efficient and transparent.

AUDIT AND RISK COMMITTEE REPORT

Assessment of the financial function

The Committee satisfied itself that the Chief Financial Officer has the appropriate financial experience to manage the financial affairs of the organisation. The Committee continues to make recommendations for enhancing the functioning and improvement of the finance function to management where appropriate.

Review of the Annual Financial statements.

The Committee also considered the Annual Financial Statements for the year under review and recommend approval thereof to the Board of Directors. The Audit and Risk Committee is satisfied that it complies with its legal, statutory and delegated responsibilities.

The Committee has evaluated the financial statements for the year ended 30 June 2025 and considers that they comply ,in all material respect , with the requirements of the Companies Act, MFMA, and South African Standards of Generally Recognised Accounting Practice (GRAP).

Internal Control Environment

The Committee has overseen a process by which internal audit performed an assessment of the effectiveness of the entity's system of internal control and risk management, including internal financial controls.

The Committee noted that in certain instances, the corrective actions were not always implemented timeously, and are only partly adequate and effective. The Committee has made recommendations for ensuring that the internal control environment is improved and better accountability from management is established including consequence management.

In addition to work conducted by Internal Audit, the Committee rely on the work conducted by Auditor General South Africa to determine the effectiveness and adequacy of the system of internal control within the entity. In prior year,the Auditor General South Africa raised audit findings in the management report and the Committee has noted progress made in resolving these findings.

In the opinion of the Committee, work has been done to improve internal controls, however, continuous improvements and monitoring of existing controls are still required to ensure complete effectiveness of internal controls.



Mr Marota N.S (Chairperson of the Audit and Risk Committee)

Date: 28/11/2025

DIRECTORS' REPORT

The directors submit their report for the year ended 30 June 2025.

1. Incorporation

The entity was incorporated on 28 November 2000 and obtained its certificate to commence business on the same day.

2. Review of activities

Main business and operations

During the year under review, there were no changes in the business activities of the entity. Net deficit of the entity was R144 828 254 (2024: surplus: R206 058 936).

3. Going concern

We draw attention to the fact that at 30 June 2025, the entity had an accumulated deficit of R(337 300 000) (2024: (R 192 471 744)) and that the entity's total liabilities exceed its assets by R(294 297 192) (2024:(149 468 936)).

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. A letter of subordination has been received from CoJ indicating the financial support that will be provided to meet the entity's obligations.

4. Subsequent events

On the 28th July 2025, one of our buses was touched while transporting our night shift staff for Selby depot from home to work. No staff members were injured and all affected staff members were referred for counselling. The touched bus was procured through full maintenance lease as part of our finance lease classification and was insured. This incident has no impact on the 30th June 2025 recognised assets.

5. Directors' declaration of personal financial interest

The directors and officials declared that they have no interest in the contracts entered by the entity.

6. Accounting Policies

The annual financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practices (GRAP) issued by the Accounting Standards Board as the prescribed framework by National Treasury and in accordance with the Municipal Finance Management Act (Act no. 56 of 2003).

DIRECTOR'S REPORT

7. Share capital / contributed capital

The company was incorporated with an authorised share capital of 1 000 ordinary shares of R1 each which were issued at par value.

According to the company's share register at 30 June 2025, the City of Johannesburg Metropolitan Municipality held 100% of the ordinary share capital of the company.

There were no changes in the authorised or issued shares during the year under review.

8. Borrowing Limitation

In terms of the Memorandum of Incorporation and the Delegation of Authority, the entity does not have the authority to borrow funds. All external funding is managed by the City of Johannesburg Metropolitan Municipality.

9. Principal /Agents Relationship

9.1 Revenue Management

- Principal /Agents Relationship(continued)

The City of Johannesburg Metropolitan Municipality manage the billing system on behalf of the entity. In terms of this management agreement, the City of Johannesburg Metropolitan Municipality invoices customers on behalf of the entity and collects the receipts thereof. The receipts are allocated to all affected entities in terms of receipts allocation policy of the City of Johannesburg Metropolitan Municipality. The entity pays a prescribed fee to the City of Johannesburg Metropolitan Municipality for this service.

9.2 Payroll Management.

The City of Johannesburg Metropolitan Municipality process payroll including third party payments on behalf of the entity. The City invoices Pikitup for the payroll costs processed. The payroll amount outstanding is disclosed as loans from shareholder in the statement of financial position.

9.3 Capital Project Managemet

Johannesburg Development Agency (JDA) manages the construction of capital projects on behalf of the entity. The entity is liable for the capital expenditure and a management fees charged by JDA. These amounts have been recognised as capital expenditure and management fees for the period under review.

DIRECTOR'S REPORT

10. Secretary

The secretary of the entity is Mr Mallela L of:

Business address

Jorissen Place
66 Jorissen Street
Braamfontein
Johannesburg
2001

Postal address

Jorissen Place
66 Jorissen Street
Braamfontein
Johannesburg
2001

11. Corporate governance

11.1 General

The directors are committed to business integrity, transparency and professionalism in all its activities. As part of this commitment, the directors supports the highest standards of corporate governance and the ongoing development of best practice.

11.2 Board of directors

The Board as the accounting authority of the entity:

- retains full control over the entity, its plans and strategy;
- acknowledges its responsibilities as to strategy, compliance with internal policies, external laws and regulations, effective risk management and performance measurement, transparency and effective communication both internally and externally by the entity;
- is of a unitary structure comprising of independent non-executive and executive directors as follows :
 - non-executive directors, all of whom are independent directors as defined in the Code; and
 - executive directors (Managing director and Chief Financial Officer).
- The board has three sub-committees, which are chaired by the independent non-executive directors;
 - Audit and Risk Committee
 - Service Delivery Committee
 - Social, Ethics and Human Resource and Remuneration Committee
- Corporate governance (continued)

DIRECTOR'S REPORT

Chairperson and Accounting Officer

The Chairperson of the board is an independent non-executive director.

The roles of Chairperson and the Accounting Officer are separate, with responsibilities divided between them, so that no individual has unchecked powers of discretion.

Remuneration

The remuneration of the Managing Director and the Chief Financial Officer, are determined by the Board in consultation with the Shareholder.

The remuneration of the non-executive directors is determined by the shareholders agreed through special resolution at the Annual General Meeting.

Board meetings

The board have met on separate occasions during the financial year.

Board Members	Board	Audit and Risk committee	Social, ethics and human resource and remuneration committee	Service delivery committee
Mr Nedzamba M (Chairperson) (Appointed 01 March 2023)	10	-	-	-
Mr Bodila MT (Appointed 31 July 2024)	6	-	-	3
Mr Marota NS (Appointed 01 March 2023)	11	7	-	-
Mr Maseng O (Appointed 31 July 2024)	11	-	-	5
Ms Mkhonto PS (Appointed 31 July 2024)	10	-	-	4
Ms Mogagole K (Appointed 31 July 2024)	9	-	4	4
Mr Mokwena T (Appointed 31 July 2024)	11	-	4	-
Mr Ndhlovu MM (Appointed 01 March 2023)	11	-	5	-
Mr Radebe M (Appointed 01 March 2023)	11	7	-	-
Ms Sekoba AN (Appointed 01 March 2023)	11	-	5	5
Mr Shi HS (Appointed 01 March 2023)	11	-	-	4
Ms Njingolo B (Managing Director)	11	7	5	4
Mr Matsila LS (Chief Financial Officer)	11	7	5	4
	-	-	-	-

DIRECTORS' REPORT

Audit and Risk Committee

The members of the audit and risk committee are listed in the Audit and Risk Committee report.

Controlling entity

The company is wholly owned entity of the The City of Johannesburg Metropolitan Municipality.

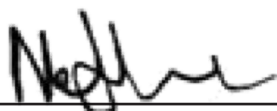
Bankers

The company's banker's are Standard Bank of South Africa and Amalgamated Bank of South Africa.

The management of the treasury function within the company is managed under the auspices of the City of Johannesburg Metropolitan Municipality Treasury department. Pikitup has a sweeping arrangement with the City of Johannesburg Metropolitan Municipality whereby all cash is swept on a daily basis to the City of Johannesburg Metropolitan bank account resulting in an intercompany loan between the City of Johannesburg Metropolitan Municipality and the entity.

External auditors

The Auditor General South Africa will continue in office for the next financial period.



Director
Mr Nedzamba M (Chairperson)



Director
Ms Njingolo B (Managing Director)

COMPANY SECRETARY'S CERTIFICATION

Declaration by the company secretary in respect of Section 88(2)(e) of the Companies Act

In terms of Section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the company has lodged with the Commissioner all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.



Mr Mallela L
CompanySecretary

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2025

Figures in Rand	Note(s)	2025	2024 Restated*
Assets			
Current Assets			
Inventories	10	10 896 214	13 300 896
Other inter-company receivables	11	664 479 116	89 543 797
Receivables from non-exchange transactions	12	72 415 310	62 297 285
VAT receivable		22 931 509	-
Receivables from exchange transactions	13	1 335 304 655	1 294 619 388
Other receivables	7	17 923 044	14 750 547
Inter-company receivables	9	2 057 485 806	1 594 968 383
Cash and cash equivalents	14	1 380 272	16 328 665
		4 182 815 926	3 085 808 961
Non-Current Assets			
Property, plant and equipment	3	1 059 602 195	805 912 884
Intangible assets	4	2 344 630	266 586
Employee benefit asset	6	160 646 760	153 127 528
Inter-company- Receivables	8	1 089 691 503	1 073 307 448
		2 312 285 088	2 032 614 446
Total Assets		6 495 101 014	5 118 423 407
Liabilities			
Current Liabilities			
Finance lease obligation	16	56 020 000	11 794 071
Payables from exchange transactions	19	2 089 339 342	1 519 384 569
Payables from non-exchange transactions	20	-	122 083 420
Provisions for performance bonus	17	13 914 553	12 952 048
Inter-company - liabilities	18	2 394 854 856	1 506 251 283
		4 554 128 751	3 172 465 391
Non-Current Liabilities			
Loans from shareholders	5	1 182 708 218	1 183 847 830
Finance lease obligation	16	171 431 095	53 557 035
Employee benefit obligation	6	56 571 000	56 133 000
Provisions	17	824 559 143	801 889 095
		2 235 269 456	2 095 426 960
Total Liabilities		6 789 398 207	5 267 892 351
Net Assets /(Liability)		(294 297 193)	(149 468 944)
Share capital / contributed capital	15	1 000	1 000
Owners Contribution		43 001 808	43 001 808
Accumulated surplus/(deficit)		(337 300 000)	(192 471 744)
Total Net Assets/(Liabilities)		(294 297 192)	(149 468 936)

STATEMENT OF FINANCIAL PERFORMANCE

	Note(s)	2025	2024 Restated*
Revenue			
Revenue from exchange transactions	22	2 944 744 734	841 635 934
Service charges			
Other revenue	21	3 566 372	1 156 653
Interest income	24	153 946 750	147 666 172
Total revenue from exchange transactions		3 102 257 856 2	990 458 759
Revenue from non-exchange transactions			
Transfer revenue	25	1 360 089 072	251 361 072
Government grants & subsidies			
Levies	26	276 912 742	239 430 031
Total revenue from non-exchange transactions		1 637 001 814 1	490 791 103
Total revenue	21	4 739 259 670 4	481 249 862
Expenditure			
Employee related costs	27	(1 823 590 521)	(1 603 759 882)
Depreciation and amortisation	28	(95 884 304)	(84 534 569)
Finance costs	29	(154 383 912)	(173 122 099)
Lease rentals on operating lease	23	(9 382 461)	(10 559 059)
Debt Impairment	30	(899 030 013)	(631 085 942)
Fleet cost	31	(1 473 928 111)	(1 273 478 579)
General Expenses	32	(427 888 602)	(498 650 796)
Total expenditure		(4 884 087 924)	(4 275 190 926)
(Deficit) surplus for the year		(144 828 254)	206 058 936

STATEMENT OF CHANGES IN NET ASSETS

	Share capital / contributed capital	Reserves for ownshares / Share repurchase reserve	Accumulated surplus / deficit	Total net assets
Balance at 01 July2023	1000	43 001 808	(398 530 680)	(355 527 872)
Changes in net assets Surplus for the year	-	-	206 058 936	206 058 936
Total changes	-	-	206 058 936	206 058 936
Restated* Balance at 01 July2024	1000	43 001 808	(192 471 746)	(149 468 938)
Changes in net assets Surplus for the year	-	-	(144 828 254)	(144 828 254)
Total changes	-	-	(144 828 254)	(144 828 254)
Balance at 30 June 2025	1000	43 001 808	(337 300 000)	(294 297 192)

CASH FLOW STATEMENT

	Note(s)	2025	2024 Restated*
Cash flows from operating activities			
Receipts			
Sale of goods and services		863 250 765	1 240 451 725
Grants		1 360 089 072	1 251 361 072
Interest income		153 946 750	147 666 172
Levies		259 955 746	223 121 073
Other cash item		3 566 372	1 156 163
		2 640 808 705	2 863 756 205
Payments			
Employee costs		(945 186 547)	(1 199 530 547)
Suppliers		(1 280 144 589)	(1 554 448 820)
Finance costs		(121 143 364)	(123 791 561)
Other cash item		(122 083 420)	-
		(2 468 557 920)	(877 770 928)
Net cash flows from operating activities	35	172 250 785	(14 014 723)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(186 698 555)	(96 784 807)
Purchase of other intangible assets	4	(2 208 300)	-
Inter-company - receivables coj		12 692 662	(10 706 402)
Net cash flows from investing activities		(176 214 193)	(107 491 209)
Cash flows from financing activities			
Loan from Shareholder		(2 256 995)	91 339 021
Finance lease payments		(8 727 990)	-
Net cash flows from financing activities		(10 984 985)	91 339 021
Net increase/(decrease) in cash and cash equivalents		(14 948 393)	(30 166 911)
Cash and cash equivalents at the beginning of the year		16 328 665	46 495 576
Cash and cash equivalents at the end of the year	14	1 380 272	16 328 665

The accounting policies on pages 17 to 33 and the notes on pages 34 to 68 form an integral part of the annual financial statements.

BUDGET ON ACCRUAL BASIS

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and	Reference
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Service charges	2 846 365 000	42 830 000	2 889 195 000	2 944 744 734	55 549 734	48(a)
Miscellaneous other revenue	6 649 000	(2 668 000)	2 846 365 000	3 566 372	(414 628)	48(b)
Interest received - investment	86 437 000	34 338 000	120 775 000	153 946 750	33 171 750	48(c)
Total revenue from exchange transactions	2 939 451 000	74 500 000	3 013 951 000	3 102 257 856	88 306 856	
Revenue from non-exchange transactions						
Transfer revenue						
Government grants & subsidies	1 207 377 000	5 698 000	1 213 075 000	1 360 089 072	147 014 072	48(d)
Levies	247 704 000	(550 000)	247 154 000	276 912 742	29 758 742	48(e)
Total revenue from non-exchange transactions	1 455 081 000	5 148 000	1 460 229 000	1 637 001 814	176 772 814	
Total revenue	4 394 532 000	79 648 000	4 474 180 000	4 739 259 670	265 079 670	
Expenditure						
Personnel	(1 691 553 000)	(109 775 000)	(1 801 328 000)	(1 823 590 521)	(22 262 521)	48(f)
Depreciation and amortisation	(89 644 000)	3 888 000	(85 756 000)	(95 884 304)	(10 128 304)	48(h)
Finance costs	(169 416 000)	(6 698 000)	(176 114 000)	(154 383 912)	21 730 088	48(i)
Lease rentals on operating lease	(12 175 000)	2 175 000	(10 000 000)	(9 382 461)	617 539	48(j)
Debt Impairment	(844 905 000)	64 117 000	(780 788 000)	(899 030 013)	(118 242 013)	48(k)
Fleet cost	(1 172 934 000)	(4 100 000)	(1 177 034 000)	(1 473 928 111)	(296 894 111)	48(g)
General Expenses	(413 905 000)	(29 255 000)	(443 160 000)	(427 888 602)	15 271 398	48(l)
Total expenditure	(4 394 532 000)	(79 648 000)	(4 474 180 000)	(4 884 087 924)	(409 907 924)	
Deficit before taxation	-	-	-	(144 828 254)	(144 828 254)	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	(144 828 254)	(144 828 254)	

SIGNIFICANT ACCOUNTING POLICIES

1. Significant accounting policies

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 122(3) of the Municipal Finance Management Act (Act no. 56 of 2003).

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand.

The significant accounting policies applied in the preparation of these annual financial statements are set out below.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the entity will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements and sources of estimation uncertainty

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements.

Other significant judgements, sources of estimation uncertainty and/or relating information, have been disclosed in the relating notes.

Impairment testing

The entity reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of tangible assets are inherently uncertain and could materially change over time.

Provisions

Provisions are raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 17 – Provisions.

SIGNIFICANT ACCOUNTING POLICIES

Taxation

Judgement is required in determining the provision for income taxes due to the complexity of legislation. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The entity recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the entity to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the entity to realise the net deferred tax assets recorded at the end of the reporting period could be impacted.

Useful lives of assets

The entity's management determines the estimated useful lives and related depreciation charges for the items of property, plant and equipment. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Post-retirement benefits

The present value of the post-retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the net cost (income) include the discount rate. Any changes in these assumptions will impact on the carrying amount of post-retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 6.

Effective interest rate

The entity used the City of Johannesburg Metropolitan Municipality Treasury borrowing rate as a point of departure and basis for discounting financial instruments.

SIGNIFICANT ACCOUNTING POLICIES

Allowance for doubtful debts

The entity assesses its trade receivables/ held to maturity investments and/or loans and receivables for impairment at each reporting date. In determining whether an impairment loss should be recorded in the statement of Financial Performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment is measured as the amount deemed not recoverable based on the indicators of impairment.

Accounting by principals and agent

The entity makes assessments on whether it is the principal or agent in principal-agent relationships. Significant judgements applied to determined that Pikitup is the principal are as follow;

The CJMM,

- undertakes transactions with third parties for the benefit of Pikitup,
- It does not have the power to determine the significant terms and conditions of the transaction,
- It does not have the ability to use all, or substantially all, of the resources that result from the transaction for its own benefit
- It is not exposed to variability in the results of the transaction.

Landfill site provision

The entity on an annual basis determines the best estimate of the environmental obligation to rehabilitate the various landfill sites upon closure.

1.3 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the entity; and
- the cost of the item can be measured reliably. Property, plant and equipment is initially measured at cost.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up. When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses except for landfills which are carried at revalued amount being the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Any increase in an asset's carrying amount, as a result of the estimation of the restoration costs, is credited or debited directly to landfill rehabilitation provision for landfill site that are still in use. For closed landfill sites the increase or decrease is credited or debited to the surplus or deficit.

Property, plant and equipment are depreciated on the straight-line basis over their expected useful lives to their estimated residual value.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Land		Infinite
Buildings	Straight-line	10-20
Plant and machinery	Straight-line	6-10
Furniture and fixtures	Straight-line	15
Motor vehicles	Straight-line	3-6
Office equipment	Straight-line	6-10
IT equipment	Straight-line	6-10
Landfill site	Straight-line	Determined annually based on the available space
Signage	Straight-line	15
Containers	Straight-line	15
Cellphones	Straight-line	2

The residual value and the useful life and depreciation method of each asset are reviewed at the end of each reporting date. If the expectations differ from previous estimates, the change is accounted for as a change in accounting estimate.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the entity. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The entity assesses at each reporting date whether there is any indication that the entity expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the entity revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

SIGNIFICANT ACCOUNTING POLICIES

1.3 Property, plant and equipment (continued)

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

The entity separately discloses expenditure to repair and maintain property, plant and equipment in the notes to the financial statements (see note 3).

The entity discloses relevant information relating to assets under construction or development, in the notes to the financial statements.

1.4 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.
- An intangible asset is recognised when:
- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the entity; and
- the cost or fair value of the asset can be measured reliably.

The entity assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred. Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

SIGNIFICANT ACCOUNTING POLICIES

1.4 Intangible assets (continued)

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight-line basis over their useful life. The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated goodwill is not recognised as an intangible asset.

Amortisation is provided to write down the intangible assets, on a straight-line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight-line	15

1.5 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Initial recognition and measurement

Financial instruments are recognised initially when the entity becomes a party to the contractual provisions of the instruments.

The entity classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance with the substance of the contractual arrangement.

Financial instruments are measured initially at fair value, except for equity investments for which a fair value is not determinable, which are measured at cost.

For financial instruments which are not at fair value through surplus or deficit, transaction costs are included in the initial measurement of the instrument.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Fair value determination

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible as entity-specific inputs.

Impairment of financial assets

At each end of the reporting period, the entity assesses all financial assets, other than those at fair value through surplus or deficit, to determine whether there is objective evidence that a financial asset or group of financial assets has been impaired.

For amounts due to the entity, significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default of payments are all considered indicators of impairment.

Impairment losses are recognised in surplus or deficit.

Impairment losses are reversed when an increase in the financial asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the financial asset at the date that the impairment is reversed shall not exceed what the carrying amount would have been had the impairment not been recognised.

Reversal of impairment losses are recognised in surplus or deficit except for equity investments classified as available-for-sale.

Impairment losses are also not subsequently reversed for available for sale equity investments which are held at cost because fair value was not determinable.

Loans to (from) economic entities

These include loans to and from controlling entities, and fellow controlled entities, and are recognised initially at fair value plus direct transaction costs.

On loans receivables an impairment loss is recognised in surplus or deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the investment's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Impairment losses are reversed in subsequent periods when an increase in the investment's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to the restriction that the carrying amount of the investment at the date the impairment is reversed shall not exceed what the amortised cost would have been had the impairment not been recognised.

Loans to shareholders, directors, managers and employees

These financial assets are classified as loans and receivables.

Receivables from exchange transactions

Trade receivables are measured at cost or fair value and are subsequently measured at amortised cost. Appropriate allowances for estimated irrecoverable amounts are recognised in surplus or deficit when there is objective evidence that the asset is impaired. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the recoverable amount based on the assessment of impairment.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the deficit is recognised in surplus or deficit. When a trade receivable is uncollectable, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are recognised against surplus or deficit.

An estimate is made for allowance for doubtful debts based on a review of all outstanding amounts at year-end using indicators of impairment. Bad debts are written off during the year in which they are identified.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Payables from exchange transactions

Trade payables are initially measured at cost or fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand.

Financial liabilities and equity instruments

Financial liabilities are classified according to the substance of contractual agreements entered into. Trade and other payables are stated at their nominal value.

Gains and Losses

A gain or loss arising from a change in a financial asset or financial liability is recognised as follows:

- A gain or loss on a financial asset or financial liability classified as at fair value through surplus or deficit is recognised in surplus or deficit.
- For financial assets and financial liabilities carried at amortised cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is recognised or impaired, and through the amortisation process.

Derecognition

Financial assets

A financial asset (or, where applicable a part of a group of similar financial assets or part of a group of similar financial assets) is derecognised where:

- the rights to receive cash flows from the asset have expired.
- the entity retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a pass-through arrangement, or
- the entity has transferred its rights to receive cash flows from the asset, or
 - has transferred substantially all the risks and rewards of the asset, or
 - has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

SIGNIFICANT ACCOUNTING POLICIES

1.5 Financial instruments (continued)

Where the entity has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantailly all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the entity's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the entity could be required to repay. Where continuing involvement takes the form of a written and/or purchased option (including a cash-settled option or similar provision) on the transferred asset, the extent of the entity's continuing involvement is the amount of the transferred asset that the entity may repurchase, except that in the case of a written put option (including a cash-settled option or similar provision) on an asset measured at fair value, the extent of the entity's continuing involvement is limited to the lower of the fair value of the transferred asset and the option exercise price.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability and the difference in the respective carrying amounts is recognised in surplus or deficit.

Offsetting Financial assets and liabilities

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when and only when, the entity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

SIGNIFICANT ACCOUNTING POLICIES

1.6 Tax

Current tax assets and liabilities

In the event that tax is payable, it is based on taxable surplus for the year. Taxable surplus differs from surplus as reported in the statement of financial performance because it excludes income and expenses that are taxable or tax deductible in other years and it further excludes items that are never taxable or tax deductible.

Current tax for current and prior periods is, to the extent unpaid, recognised as a non-exchange liability. If the amount already paid in respect of current and prior periods exceeds the amount due for those periods, the excess is recognised as an non-exchange asset.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities

A deferred tax liability is recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from the initial recognition of an asset or liability in a transaction which at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

A deferred tax asset is recognised for all deductible temporary differences to the extent that it is probable that taxable surplus will be available against which the deductible temporary difference can be utilised. A deferred tax asset is not recognised when it arises from the initial recognition of an asset or liability in a transaction at the time of the transaction, affects neither accounting surplus nor taxable profit (tax loss).

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Tax expenses

Current and deferred taxes are recognised in the statement of financial performance, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, to net asset.

SIGNIFICANT ACCOUNTING POLICIES

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

SIGNIFICANT ACCOUNTING POLICIES

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

The carrying amounts of those inventories are recognised as an expense in the period in which the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

SIGNIFICANT ACCOUNTING POLICIES

1.9 Impairment of cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. An asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets used with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable amount of an asset or a cash-generating unit is the higher its fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.10 Impairment of non-cash-generating assets

Cash-generating assets are assets used with the objective of generating a commercial return. Asset generates a commercial return when it is deployed in a manner consistent with that adopted by a profit-oriented entity.

SIGNIFICANT ACCOUNTING POLICIES

1.10 Impairment of non-cash-generating assets (continued)

Non-cash-generating assets are assets other than cash-generating assets.

Impairment is a loss in the future economic benefits or service potential of an asset, over and above the systematic recognition of the loss of the asset's future economic benefits or service potential through depreciation (amortisation).

Carrying amount is the amount at which an asset is recognised in the statement of financial position after deducting any accumulated depreciation and accumulated impairment losses thereon.

A cash-generating unit is the smallest identifiable group of assets managed with the objective of generating a commercial return that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets.

Costs of disposal are incremental costs directly attributable to the disposal of an asset, excluding finance costs and income tax expense.

Depreciation (Amortisation) is the systematic allocation of the depreciable amount of an asset over its useful life.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable, willing parties, less the costs of disposal.

Recoverable service amount is the higher of a non-cash-generating asset's fair value less costs to sell and its value in use.

Useful life is either:

- the period of time over which an asset is expected to be used by the entity; or
- the number of production or similar units expected to be obtained from the asset by the entity.

1.11 Share capital / contributed capital

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

Equity instruments issued by the entity are classified according to the substance of the contractual arrangements entered into.

Equity instruments issued by the entity are recorded at the proceeds received, net of direct issue costs.

SIGNIFICANT ACCOUNTING POLICIES

1.12 Employee benefits

Short term employee benefits

The cost of short-term employee benefits, (those payable within 12 months after the service is rendered, such as paid vacation leave and sick leave, bonuses, and non-monetary benefits such as medical care), are recognised in the period in which the service is rendered.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs.

The expected cost of bonus payments is recognised as an expense when there is a legal or constructive obligation to make such payments as a result of past performance.

Post-employment benefits: Defined contribution plans

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due.

Payments made to industry-managed (or state plans) retirement benefit schemes are dealt with as defined contribution plans where the entity's obligation under the schemes is equivalent to those arising in a defined contribution retirement benefit plan.

Defined contribution plans are post-employment benefit plans under which an entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The entity's contributions to the defined contribution plans are charged to the statement of Financial Performance in the financial year to which they relate.

The entity's has no further payment obligations once the contributions have been paid.

For defined benefit plans the cost of providing the benefits is determined using the projected credit method.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan.

Consideration is given to any event that could impact the funds up to end of the reporting period where the interim valuation is performed at an earlier date.

SIGNIFICANT ACCOUNTING POLICIES

1.12 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Past service costs are recognised immediately to the extent that the benefits are already vested, and are otherwise amortised on a straight-line basis over the average period until the amended benefits become vested.

Gains or losses on the curtailment or settlement of a defined benefit plan is recognised when the entity is demonstrably committed to curtailment or settlement.

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The majority of the entity employees are members of various defined benefit plans, the assets of which are held in separate trustee-administrated funds. These retirement funds are generally funded by payments from employees, the entity and the City of Johannesburg Metropolitan Municipality.

Actuarial gains and losses are charged to the Statement of Financial Performance as the cost occurs.

Other post retirement obligations

The entity provides post-retirement health care benefits, housing subsidies and gratuities upon retirement to some retirees.

The entitlement to post-retirement health care benefits is based on the employee remaining in service up to retirement age and the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment. Independent qualified actuaries carry out valuations of these obligations. The entity also provides a gratuity and housing subsidy on retirement to certain employees. An annual charge to income is made to cover both these liabilities.

SIGNIFICANT ACCOUNTING POLICIES

1.13 Provisions and contingencies

Provisions are recognised when:

- the entity has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating (deficit).

Actual costing figures were used in determining the provision for rehabilitation of landfill sites. Landfill areas are rehabilitated over years and in accordance with the operational plans. The areas will stay the same in size for a number of years.

Provisions is made for estimated cost to be incurred on the long term environmental obligations, comprising expenditure on pollution control and closure over the estimated life of the landfill.

SIGNIFICANT ACCOUNTING POLICIES

1.13 Provisions and contingencies (continued)

The increase in the restoration provision due to passage of time is recognised as interest in the income statements.

The cost of ongoing programmes to prevent, control pollution and rehabilitate the environment is recognised as an expense when incurred.

Provisions are measured at the director's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

Contingent assets and contingent liabilities are not recognised. Contingencies are disclosed in note 38.

Changes in the measurement of an existing decommissioning, restoration and similar liability that result from changes in the estimated timing or amount of the outflow of resources embodying economic benefits or service potential required to settle the obligation, or a change in the discount rate, is accounted for as follows:

If the related asset is measured using the cost model:

- changes in the liability is added to, or deducted from, the cost of the related asset in the current period.
- the amount deducted from the cost of the asset does not exceed its carrying amount. If a decrease in the liability exceeds the carrying amount of the asset, the excess is recognised immediately in surplus or deficit.
- if the adjustment results in an addition to the cost of an asset, the entity consider whether this is an indication that the new carrying amount of the asset may not be fully recoverable. If there is such an indication, the entity tests the asset for impairment by estimating its recoverable amount or recoverable service amount, and account for any impairment loss, in accordance with the accounting policy on impairment of assets as described in accounting policy 1.9 and 1.10.

SIGNIFICANT ACCOUNTING POLICIES

1.13 Provisions and contingencies (continued)

If the related asset is measured using the revaluation model:

- changes in the liability alter the revaluation surplus or deficit previously recognised on that asset, so that:
 - a decrease in the liability is credited directly to revaluation surplus in net assets, except that it is recognised in surplus or deficit to the extent that it reverses a revaluation deficit on the asset that was previously recognised in surplus or deficit; and
 - an increase in the liability is recognised in surplus or deficit, except that it is debited directly to revaluation surplus in net assets to the extent of any credit balance existing in the revaluation surplus in respect of that asset;
- in the event that a decrease in the liability exceeds the carrying amount that would have been recognised had the asset been carried under the cost model, the excess is recognised immediately in surplus or deficit;
- a change in the liability is an indication that the asset may have to be revalued in order to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. Any such revaluation is taken into account in determining the amounts to be taken to surplus or deficit and net assets. If a revaluation is necessary, all assets of that class is revalued; and
- the Standard of GRAP on Presentation of Financial Statements requires disclosure on the face of the statement of changes in net assets of each item of revenue or expense that is recognised directly in net assets. In complying with this requirement, the change in the revaluation surplus arising from a change in the liability is separately identified and disclosed as such.

The adjusted depreciable amount of the asset is depreciated over its useful life. Therefore, once the related asset has reached the end of its useful life, all subsequent changes in the liability is recognised in surplus or deficit as they occur. This applies under both the cost model and the revaluation model.

The periodic unwinding of the discount is recognised in surplus or deficit as a finance cost as it occurs.

SIGNIFICANT ACCOUNTING POLICIES

1.14 Commitments

Items are classified as commitments when an entity has committed itself to future transactions that will normally result in the outflow of cash.

Disclosures are required in respect of unrecognised contractual commitments.

Commitments for which disclosure is necessary to achieve a fair presentation is disclosed in a note to the financial statements, when:

- Contracts should be non-cancellable or only cancellable at significant cost (for example, contracts for computer or building maintenance services); and
- Contracts should relate to something other than the routine, steady, state business of the entity – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.
- Only commitments related to capital expenditure contracts are disclosed.

SIGNIFICANT ACCOUNTING POLICIES

1.15 Revenue from exchange transactions

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners.

An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Measurement

Revenue is measured at the fair value of the consideration received or receivable.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the entity;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When services are performed by an indeterminate number of acts over a specified time frame, revenue is recognised on a straight-line basis over the specified time frame unless there is evidence that some other method better represents the stage of completion. When a specific act is much more significant than any other acts, the recognition of revenue is postponed until the significant act is executed.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

SIGNIFICANT ACCOUNTING POLICIES

1.16 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by an entity, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Control of an asset arise when the entity can use or otherwise benefit from the asset in pursuit of its objectives and can exclude or otherwise regulate the access of others to that benefit.

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to another entity in exchange.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, an entity either receives value from another entity without directly giving approximately equal value in exchange, or gives value to another entity without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the entity satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the entity.

SIGNIFICANT ACCOUNTING POLICIES

1.16 Revenue from non-exchange transactions (continued)

When, as a result of a non-exchange transaction, the entity recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Receivables that arise from statutory (non-contractual) arrangements are initially measured in accordance with this accounting policy, as well as the accounting policy on Statutory Receivables. The entity applies the accounting policy on Statutory Receivables for the subsequent measurement, derecognition, presentation and disclosure of statutory receivables.

Interest is recognised using the effective interest rate method for financial instruments, and using the nominal interest rate method for statutory receivables. Interest levied on transactions arising from exchange or non-exchange transactions is classified based on the nature of the underlying transaction.

1.17 Borrowing costs

Borrowing costs are interest and other expenses incurred by an entity in connection with the borrowing of funds. Borrowing costs are recognised as an expense in the period in which they are incurred.

1.18 Comparative figures

Where necessary, comparative figures have been reclassified to conform to changes in presentation in the current year.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for in line with all relevant ruling Legislations.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

SIGNIFICANT ACCOUNTING POLICIES

1.20 Irregular expenditure

Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the economic entity's supply chain management policy.

Irregular expenditure is accounted for in line with all relevant Legislations.

Irregular expenditure as defined in section 1 of the MFMA is expenditure other than unauthorised expenditure, incurred in contravention of or that is not in accordance with a requirement of any applicable legislation, including -

this Act; or

the State Tender Board Act, 1968 (Act No. 86 of 1968), or any regulations made in terms of the Act; or
any provincial legislation providing for procurement procedures in that provincial government.

National Treasury practice note no. 4 of 2008/2009 which was issued in terms of sections 76(1) to 76(4) of the MFMA requires the following (effective from 1 April 2008):

Irregular expenditure that was incurred and identified during the current financial and which was condoned before year end and/or before finalisation of the financial statements must also be recorded appropriately in the irregular expenditure register. In such an instance, no further action is also required with the exception of updating the note to the financial statements.

Irregular expenditure that was incurred and identified during the current financial year and for which condonement is being awaited at year end must be recorded in the irregular expenditure register. No further action is required with the exception of updating the note to the financial statements.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the following financial year, the register and the disclosure note to the financial statements must be updated with the amount condoned.

Irregular expenditure that was incurred and identified during the current financial year and which was not condoned by the National Treasury or the relevant authority must be recorded appropriately in the irregular expenditure register. If liability for the irregular expenditure can be attributed to a person, a debt account must be created if such a person is liable in law. Immediate steps must thereafter be taken to recover the amount from the person concerned. If recovery is not possible, the accounting officer or accounting authority may write off the amount as debt impairment and disclose such in the relevant note to the financial statements. The irregular expenditure register must also be updated accordingly. If the irregular expenditure has not been condoned and no person is liable in law, the expenditure related thereto must remain against the relevant programme/expenditure item, be disclosed as such in the note to the financial statements and updated accordingly in the irregular expenditure register.

SIGNIFICANT ACCOUNTING POLICIES

1.21 Budget information

Entities are typically subject to budgetary limits in the form of appropriations or budget authorisations (or equivalent), which is given effect through authorising legislation, appropriation or similar.

The approved budget is prepared on an accrual basis and presented by economic classification linked to performance outcome objectives.

The approved budget covers the fiscal period from 2024/07/01 to 2025/06/30.

The annual financial statements and the budget are on the same basis of accounting therefore a comparison with the budgeted amounts for the reporting period have been included in the Statement of comparison of budget and actual amounts.

1.22 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

Management are those persons responsible for planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by that person in their dealings with the entity.

The entity is exempt from disclosure requirements in relation to related party transactions if that transaction occurs within normal supplier and/or client/recipient relationships on terms and conditions no more or less favourable than those which it is reasonable to expect the entity to have adopted if dealing with that individual entity or person in the same circumstances and terms and conditions are within the normal operating parameters established by that reporting entity's legal mandate.

SIGNIFICANT ACCOUNTING POLICIES

1.22 Related parties (continued)

Where the entity is exempt from the disclosures in accordance with the above, the entity discloses narrative information about the nature of the transactions and the related outstanding balances, to enable users of the entity's financial statements to understand the effect of related party transactions on its annual financial statements.

The entity operates in an economic sector currently dominated by entities directly or indirectly owned by the South African Government. As a consequence of the constitutional independence of the three spheres of government in South Africa, only entities within the local sphere of government are considered to be related parties.

1.23 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The entity will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The entity will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

1.24 Expenses

Expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or incurrences of liabilities that result in decreases in net assets, other than those relating to distribution to owners.

Under the accrual basis of accounting, expenses are recognised when incurred, usually when the goods are received or services are consumed. This may not be when the goods or services are actually paid for.

The point at which an expense is recognised is independent on the nature of the transaction or other event that gives rise to the expense.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. New standards and interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the entity has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

2.2 Standards and interpretations issued, but not yet effective

The entity has not applied the following standards and interpretations, which have been published and are mandatory for the entity's accounting periods beginning on or after 01 July 2025 or later periods::

Standard/ Interpretation:	Effective date:	Expected impact:
	Years beginning on or after	-
Standard/ Interpretation:	Effective date:	Expected impact:
	Years beginning on or after	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Property, plant and equipment

	2025			2024		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Land	7 162 399	-	7 162 399	7 162 399	-	7 162 399
Buildings	973 413 085	(227 690 048)	745 723 037	808 822 265	(197 643 488)	611 178 777
Plant and machinery	480 500	(20 020)	460 480	-	-	-
Furniture and fixtures	13 580 657	(9 420 818)	4 159 839	13 340 516	(8 641 588)	4 698 928
Motor vehicles	494 797 506	(249 493 282)	245 304 224	313 193 254	(220 171 648)	93 021 606
Office equipment	31 635 900	(12 513 962)	19 121 938	31 074 879	(10 365 448)	20 709 431
IT equipment	18 130 773	(6 266 507)	11 864 266	20 898 208	(8 439 308)	12 458 900
Landfill sites	379 315 788	(376 204 923)	3 110 865	379 315 788	(348 780 377)	30 535 411
Containers	31 996 953	(9 555 949)	22 441 004	41 835 307	(16 376 548)	25 458 759
Cellphones	234 822	(163 826)	70 996	337 122	(123 157)	213 965
Signage	172 400	10 747	183 147	2 577 857	(2 103 149)	474 708
Total	1 950 920 783	(891 318 588)	1 059 602 195	1 618 557 595	(812 644 711)	805 912 884

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment – 2025

	Opening balance	Additions	Disposals	Depreciation	Total
Land	7 162 399	-	-	-	7 162 399
Buildings	611 178 777	164 590 821	-	(30 046 561)	745 723 037
Plant and machinery	-	480 500	-	(20 020)	460 480
Furniture and fixtures	4 698 928	240 142	-	(779 231)	4 159 839
Motor vehicles	93 021 606	181 604 252	-	(29 321 634)	245 304 224
Office equipment	20 709 431	1 471 033	(38 862)	(3 019 664)	19 121 938
IT equipment	12 458 900	1 289 227	-	(1 883 861)	11 864 266
Landfill sites	30 535 411	-	-	(27 424 546)	3 110 865
Containers	25 458 759	4 896 536	(4 792 971)	(3 121 320)	22 441 004
Cellphones	213 965	-	-	(142 969)	70 996
Signage	474 708	172 400	(339 464)	(124 497)	183 147
	805 912 884	354 744 911	(5 171 297)	(95 884 303)	1 059 602 195

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2024

	Opening balance	Additions	Disposals	Landfill adjustment	Depreciation	Total
Land	7 162 399	-	-	-	-	7 162 399
Buildings	555 666 801	88 886 651	-	-	(33 374 675)	611 178 777
Plant and machinery	1 908 916	-	(670 693)	-	(1 238 223)	-
Furniture and fixtures	5 533 581	-	-	-	(834 653)	4 698 928
Motor vehicles	46 248 888	67 192 577	(89 675)	-	(20 330 184)	93 021 606
Office equipment	22 781 496	875 618	-	-	(2 947 683)	20 709 431
IT equipment	14 641 287	-	(125 588)	-	(2 056 799)	12 458 900
Landfill sites	44 218 287	-	-	6 953 873	(20 636 749)	30 535 411
Containers	27 057 017	1 290 769	(55)	-	(2 888 972)	25 458 759
Cellphones	-	285 982	-	-	(72 017)	213 965
Signage	609 194	-	-	-	(134 486)	474 708
	725 827 866	158 531 597	(886 011)	6 953 873	(84 514 441)	805 912 884
Assets subject to finance lease (Net carrying amount)						
Motor vehicles	69 464 554	(81 242 811)				
Reconciliation of Work-in-Progress 2025	Included within Buildings	Total				
Opening balance	217 982 836	217 982 836				
Additions/capital expenditure	164 790 925	164 790 925				
Transferred to completed items	(7 783 180)	(7 783 180)				
	374 990 581	374 990 581				

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. Property, plant and equipment (continued)

Reconciliation of Work-in-Progress 2024	Included within Buildings	Total
Opening balance	154 815 109	154 815 109
Additions/capital expenditure	88 886 651	88 886 651
Transferred to completed items	(25 718 924)	(25 718 924)
	217 982 836	217 982 836
Expenditure incurred to repair and maintain property, plant and equipment		
Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance		
Contracted services	18 464 108	28 118 369

4. Intangible assets

	2025			2024		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	3 180 902	(836 272)	2 344 630	972 602	(706 016)	266 586

Reconciliation of intangible assets - 2025

	Opening balance	Additions	Amortisation	Total
Computer software, other	266 586	2 208 300	(130 256)	2 344 630

Reconciliation of intangible assets - 2024

	Opening balance	Amortisation	Total
Computer software, other	286 426	(19 840)	266 586

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. Loans to (from) shareholders

	2025	2024
City of Johannesburg Metropolitan Municipality-Capex Loans	(1 182 708 218)	(1 183 847 830)

Capital Expenditure Loans

Loans at beginning of the year	(1 183 847 829)	(1183847829)
Receipts (New loan - Capital)	(50 175 140)	(91339020)
Interest charged	(121 143 364)	(112356248)
Interest paid	121 143 365	112356248
Capital loan repayments	51 314 750	-
	(1 182 708 218)	(1 183 847 829)

6. Employee benefit obligations

Defined benefit plan

Post retirement benefit plan

Post Retirement Medical Aid Plan	3 223 000	3 340 000
Post Retirement Gratuity Plan	53 348 000	52 793 000
	56 571 000	56 133 000

The plan is a final salary pension / flat plan or a post employment medical benefit plan.

Post retirement medical aid plan

Pikitup Johannesburg (SOC) Limited has obligations to subsidise medical aid contribution in respect of certain qualifying staff and pensioners and their surviving spouses. Only pensioners and employees who were aged 50 or older and were members of Lamaf (previously called Jomed) and Munimed medical schemes on 01 July 2003.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Employee benefit obligations (continued)

The above liability is funded through a notional loan. The City of Johannesburg Metropolitan Municipality has undertaken to cover such portion of the liability for the staff of Pikitup Johannesburg (SOC) Limited who are entitled to benefits that relate to their service with Pikitup Johannesburg (SOC) Limited since the company's establishment. This amount was determined on 1 July 2003 and has been crystallised in the form of a notional loan account which earned interest of R 1 047 602 (2024: R 584 790) and against which the company may claim benefit payments made. This loan does not constitute an asset and in terms of GRAP 25 cannot be offset against the liability.

The City of Johannesburg Metropolitan Municipality operates 6 accredited medical schemes, namely Global Health, Hosmed, Munimed, Bonitas, Samwumed and LA Health. Pensioners continue on the option they belong to on the day of their retirement.

Amounts recognised in the Statement of financial position as defined benefit obligation shall be the net total of the following amounts, present value of the defined benefit obligation at the reporting date, minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly plus any liability that may arise as a result of a minimum funding requirement.

This amount may be negative (asset) and the entity shall measure the resulting asset at the lower of the amount determined above and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan

The fair value of the plan assets includes.

Movement for the year		
Opening balance	3 340 000	2 810 000
Interest cost	328 000	281 000
Actuarial(gain)/losses	(96 240)	577 341
Benefits paid	(348 760)	(328 341)
	3 223 000	3 340 000
Net expense recognised in Statement of Financial Performance		
Interest	328 000	281 000
Actuarial(gains)/Losses	(96 240)	577 341
	231 760	858 341
Notional Loan Account		
Opening balance	17 836 428	16 473 395
Interest	1 396 093	1 363 033
Adjustment	(683)	-
	19 231 838	17 836 428

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Employee benefit obligations (continued)

The entity has recognised actuarial gains and losses in the surplus or deficit in the period they occur. The past service cost if any are recognised as an expense in the reporting period in which the plan is amended. The cost of the benefits is dependent on the increase in salaries and contributions to the medical aid scheme before and after retirement. The assumptions about the medical costs takes account of estimated future changes in the cost of medical services resulting from both inflation and specific changes in medical costs

Key assumptions used on last valuation on 30 June 2025

Discount rate used	9.07%	10.48%
Consumer price inflation rate	3.96%	5.40%
Salary inflation rate	4.96%	6.40%
Medical aid contribution inflation	4.96%	6.40%
Net discount rate - health care cost inflation	3.91%	3.83%

Post retirement gratuity plan

Movement for the year		
Opening balance	52 793 000	56 997 000
Interest cost	5 238 000	5 885 000
Benefits paid	(4 460 119)	(3 509 448)
Actuarial (gains)/ losses	(222 881)	(6 579 552)
	53 348 000	52 793 000

Net expense recognised in the statement of financial performance

Interest cost	5 238 000	5 885 000
Actuarial (gains)/ losses	(4 460 119)	(6 579 552)
	777 881	(694 552)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Employee benefit obligations (continued)

Notional Loan

Opening balance	135 290 880	128 193 416
Interest	10 589 478	10 606 912
Benefits paid	(4 460 119)	(3 509 448)
Adjustment	(5 316)	-
	141 414 923	135 290 880

Sensitivity Analysis

In order to illustrate the sensitivity of our results to changes in certain key variables, we have recalculated the liabilities using the following assumptions: *A 1% increase/decrease in the medical and salary inflation rate assumptions used, *A 20% increase/decrease in the assumed level of mortality. The effect of these assumptions are as follow

Mortality Rates

Deviations from the assumed level of mortality experience of the current employees and the continuation members will have a large impact on the actual cost to the Municipality. If the actual rates of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Municipality in the form of subsidies will reduce and vice versa. We have illustrated the effect of higher and lower mortality rates by increasing and decreasing the mortality rates by 20%. The effect is as follows

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

6. Employee benefit obligations (continued)

	-20% Mortality Rate	Valuation assumption	+20% Mortality Rate
Post retirement medical aid plan	3 468 000	3 223 000	3 020 000
Retirement gratuities	53 217 000	53 348 000	53 478 000
	56 685 000	56 571 000	56 498 000

Service cost and interest cost

	-20% Mortality Rate	Valuation assumption	+20% Mortality Rate
Post retirement medical aid plan	297 000	275 000	256 000
Retirement gratuities	4 604 000	461 000	4 627 000
	4 901 000	736 000	4 883 000

Medical and salary inflation-accrued liability

	-1% Medical/salary inflation	Valuation assumption	+1% Medical/salary inflation
Post retirement medical aid plan	3 112 000	3 223 000	3 306 000
Retirement gratuities	50 689 000	53 348 000	56 196 000
	53 801 000	56 571 000	59 502 000

Service cost and interest cost

	-1% Medical/salary inflation	Valuation assumption	+1% Medical/salary inflation
Post retirement medical aid plan	265 000	275 000	282 000
Retirement gratuities	4 375 000	4 616 000	4 874 000
	4 640 000	4 891 000	5 156 000

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

The amounts recognised in the statement of financial position are as follows:

Carrying value

Employee benefits assets	160 646 760	153 127 528
Employee benefits liability	(56 564 780)	(56 133 000)
Adjustment	(6 220)	-
	104 075 760	96 994 528
Employee benefits assets	160 646 760	153 127 528
Employee benefits obligation	(56 571 000)	(56 133 000)
	104 075 760	96 994 528

7. Other receivables

Other receivables	17 923 044	14 750 547
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This relates to the settlement agreements on the debt between the employees and the entity.

These relate to take-on balances from the CoJ. These balances are managed by the City of Johannesburg Metropolitan Municipality

8. Intercompany-Receivables

These relate to take- on balances from the CoJ. These balances are managed by the City of Johannesburg Metropolitan Municipality

Intercompany-Receivables CoJ	1 089 691 503	1 073 307 448
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. Inter-company receivables

Other Receivables	448 380 169	461 464 222
Sweeping account	1 609 105 640	1 133 504 161
	2 057 485 809	1 594 968 383

The sweeping account represent cash that is swept on a daily basis as per the sweeping arrangement with the City of Johannesburg Metropolitan Municipality.

Other receivables represent cash received from customers by COJ but not yet transferred to Pikitup (timing difference).

10. Inventories

Equipment stock	1 056 823	1 052 590
Bin Liners	8 113 466	9 724 678
Protective clothing	330 483	665 375
Consumable Stock	827 455	559 481
Stock adjustment	(2 589 400)	-
240L Bins	3 157 387	1 298 772
	10 896 214	13 300 896

10.1 Inventory recognised as expense

Stores and material: Bin liners	49 585 451	44 982 779
Uniforms and protective clothing	20 429 252	23 515 219
Stores and material	1 814 997	2 063 007
240L Bins	24 554 599	18 067 841
Other	164 597	14 993
	96 548 896	88 643 839

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. Other inter-company receivables

Intercompany receivables	664 479 116	89 543 797
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The amount relates to debtors owed to the entity by the CoJ.

12. Other inter-company receivables

	2025	2024
City cleaning levy	325 882 431	308 925 435
Debt Impairment	(253 467 121)	(246 628 150)
	72 415 310	62 297 285

City Cleaning Levy

Current	5 837 838	2 221 925
31 -60 days	3 821 660	4 621 603
61 - 90 days	3 719 054	4 166 878
91 -180 days	9 419 841	10 894 175
	303 084 037	277 020 854
Subtotal	325 882 430	308 925 435
	(253 467 121)	(246 628 150)
	72 415 309	62 297 285

City Cleaning Levy – past due and not impaired

Current	3 895 500	5 762 250
31 -60 days	2 306 883	2 712 972
61-90 days	2 096 030	2 385 052
91-180 days	5 064 821	5 875 411
>181 days	59 052 076	45 561 600
	72 415 310	62 297 285

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. Receivables from exchange transactions

Gross balances

	2025	2024
Refuse	6 422 908 602	5 444 539 875

Less: Allowance for impairment

Refuse	(5 087 603 947)	4 149 920 487
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Net balance

Refuse	1 335 304 655	1 294 619 388
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Refuse

Current (0 -30 days)	138 514 011	242 097 835
31 - 60 days	59 852 677	52 782 920
61 - 90 days	55 194 181	44 629 945
91 - 180 days	121 985 537	110 826 088
>181 days	959 758 249	844 282 600
	1 335 304 655	1 294 619 388

Summary of debtors by customer classification

Consumers

Current (0 -30 days)	207 402 172	324 712 759
31 - 60 days	128 376 778	126 374 995
61 - 90 days	128 859 204	108 364 879
91 - 180 days	317 836 932	287 582 447
>181 days	4 982 350 095 3	923 523 353
	5 764 825 181 4	770 558 433
Less: Allowance for impairment	(4 743 227 212)(3)	804 204 574)
	1 021 597 969	966 353 859

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. Receivables from exchange transactions (continued)

Industrial/ commercial

	2025	2024
Current (0 -30 days)	7 931 501	17 132 326
31 - 60 days	5 192 247	6 478 423
61 - 90 days	5 052 844	5 841 004
91 - 180 days	12 798 142	15 271 126
>181 days	411 781 098	417 967 024
	442 755 832	462 689 903
Less: Allowance for impairment	(344 369 736)	(345 715 914)
	98 386 096	116 973 989

National and provincial government

Current (0 -30 days)	6 341 084	8 006 426
31 - 60 days	3 935 561	3 464 437
61 - 90 days	3 429 924	3 583 297
91 - 180 days	9 065 421	9 731 655
>181 days	192 555 599	186 505 725
	215 327 589	211 291 540

Total

Current (0 -30 days)	188 940 991	349 851 511
31 - 60 days	135 811 943	136 317 855
61 - 90 days	135 694 773	117 789 180
91 - 180 days	335 528 369	312 585 228
>181 days	5 478 349 389	4 527 996 102
	6 274 325 465	5 444 539 876
Less: Allowance for impairment	(4 939 020 810)	(4 149 920 488)
	1 335 304 655	1 294 619 388

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

13. Receivables from exchange transactions (continued)

Less: Allowance for impairment

	2025	2024
Current (0 -30 days)	(82 300 468)	(107 753 676)
31 - 60 days	(76 981 003)	(83 534 935)
61 - 90 days	(81 428 941)	(73 159 235)
91 - 180 days	(215 786 083)	(201 759 140)
>181 days	(4 631 107 452)	(3 683 713 501)
	(5 087 603 947)	(4 149 920 487)

Total debtor past due but not impaired

Current (0 -30 days)	138 514 011	242 097 835
31 - 60 days	59 852 677	52 782 920
61 - 90 days	55 194 181	44 629 945
91 - 120 days	121 985 537	110 826 088
121 - 365 days	959 758 249	844 282 599
	1 335 304 655	1 294 619 387

Reconciliation of allowance for impairment

Balance at beginning of the year	(4 149 920 487)	(3 429 106 418)
Contributions to allowance	(937 683 460)	(720 814 069)
	(5 087 603 947)	(4 149 920 487)

Statutory receivables general information

Reconciliation of provision for impairment for exchange and non-exchange receivables

Opening balance	(4 396 548 637)	(3 670 800 119)
Provision for impairment	(944 522 932)	(725 748 518)
	(5 341 071 569)	(4 396 548 637)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14. Cash and cash equivalents

The entity has a bank account sweeping arrangement with the City of Johannesburg Metropolitan Municipality whereby all cash is swept on a daily basis to the City of Johannesburg Metropolitan Municipality's bank account. The cash owed to the entity by the City of Johannesburg Metropolitan Municipality is reflected as an amount due from the shareholder. Cash and cash equivalents consist of:

Bank balance	1 380 272	16 328 665
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The entity had the following bank accounts

Account number / description	Bank statement balances					
	30 June 2025	30 June 2024	30 June 2023			
Standardbank	1	1	-	-	-	-
ABSA	1380272	6328052	-	-	-	-
Total	1380273	6328053	-	-	-	-

15. Share capital / contributed capital

Issued Ordinary	1 000	1 000
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16. Finance lease obligation

Minimum lease payments due	2025	2024
- within one year	56530069	17999445
- in second to fifth year inclusive	185883702	68499059
	242413771	86498504

Present value of minimum lease payments due	2025	2024
- within one year	40 379 611	10 664 993
- in second to fifth year inclusive	187 071 484	54 686 113
	227 451 095	65 351 106

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. Finance lease obligation (continued)

	2025	2024
Non-current liabilities	171 431 095	53 557 035
Current liabilities	56 020 000	11 794 071
	227 451 095	65 351 106

Vehicles were procured by the shareholder on behalf of the entity on a full maintainance lease. The balance disclosed represents obligations as at year end for the total number of vehicles received.

The average lease term was 5 years and the average effective borrowing rates are 13% and 10% . The contracts is classified as a finance lease.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. Provisions

Reconciliation of provisions - 2025	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Performance bonus	12 952 048	14 132 243	(13 169 738)	217 690	-	14 132 243
Environmental rehabilitation:	241 239 573	-	-	(13 195 804)	19 950 513	247 994 282
Closed landfill site Environmental rehabilitation:	560 649 522	-	-	(30 668 066)	46 365 715	576 347 171
Open landfill sites						
	814 841 143	14 132 243	(13 169 738)	(43 646 180)	66 316 228	838 473 696

Reconciliation of provisions - 2024

Reconciliation of provisions - 2025	Opening Balance	Additions	Utilised during the year	Reversed during the year	Change in discount factor	Total
Performance bonus	11 908 808	12 500 500	(10 313 566)	(1 143 694)	-	12 952 048
Environmental rehabilitation:	222 979 143	-	-	3 120 146	15 140 284	241 239 573
Closed landfill site Environmental rehabilitation:	518 490 166	-	-	6 953 874	35 205 482	560 649 522
Open landfill sites						
	753 378 117	12 500 500	(10 313 566)	8 930 326	50 345 766	814 841 143
Non-current liabilities					824 559 143	801 889 095
Current liabilities					13 914 553	12 952 048
					838 473 696	814 841 143

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

On an annual basis, management has to determine the best estimate of the enviromental obligation to rehabilitate the various landfill sites upon disclosure. During this process management places reliance upon the final landfill Airspace Estimation Report as compiled by an independent consulting engineer for the technical data utilised in the provision and lifespan estimates.

Key assumptions

- The final slope for each landfill are 1:5, The cover to waste ratio is 1:5 for each site
- The growth rates for each site are based on zero grow
- The final landfill footprint extends over the entire landfill property size(excluding insfrastructure and a 20m buffer zone between the site boundary and the toe of the landfill and
- The density of the waste is calculated using both the survey and the weighbridge data.

Performance bonus provision

The provision for bonus relates to performance bonuses for employees to whom the performance contracts applies for the period ended 30 June 2025. The provision is based on a conservative estimation on possible payments in line with payments from prior financial years. The performance bonus will be paid in the next financial year.

18. Intercompany-liability

This relates to amounts owed to COJ for Pikitup employees cost. COJ pays Pikitup’s employees salaries on behalf of the entity and the entity refund the City for this cost

Intercompany liability	2 394 854 856	1 506 251 283
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19. Payables from exchange transactions

	2025	2024
Trade payables	1 914 104 495	1 349 849 494
Accrued leave pay	94 849 428	95 107 492
Accrued bonus & 13th cheque	45 552 122	39 419 207
Sundry payables	34 833 297	35 008 376
	2 089 339 342	1 519 384 569

20. Payables from non-exchange transaction

Value Added Tax (VAT)	-	(1 705 206)
Income Tax	-	123 788 626
	-	122 083 420

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. Revenue

	2025	2024
Service charges	2 944 744 734	2 841 635 934
Other revenue	3 566 372	1 156 653
Interest Income	153 946 750	147 666 172
Grants & subsidies	1 360 089 072	1 251 361 072
City Cleaning levy	276 912 742	239 430 031
	4 739 259 670	4 481 249 862

The amount included in revenue arising from exchanges of goods or services are as follows:

Service charges	2 944 744 734	2 841 635 934
Other revenue	3 566 372	1 156 653
Interest Income	153 946 750	147 666 172
	3 102 257 856	2 990 458 759

The amount included in revenue arising from non-exchange transactions is as follows:

Transfer revenue		
Grants & subsidies	1 360 089 072	1 251 361 072
City cleaning levy	276 912 742	239 430 031
	1 637 001 814	1 490 791 103

22. Service charges

Service charges	2 944 744 734	2 841 635 934
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Service charges relates to domestic households and commercial services for waste management services.

23. Lease rentals on operating lease

Lease rental	9 382 461	10 559 059
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

24. Interest Income

Interest revenue	2025	2024
Interest charged on trade and other receivables	67 275 705	54 441 557
Interest on sweeping account	86 670 858	93 224 615
Interest received - other	187	-
	153 946 750	147 666 172

25. Government grants & subsidies

Operating grants		
Skills and Development grant	2 578 000	2 495 072
Subsidy from COJ	1 220 672 328	1 248 866 000
	1 223 250 328	1 251 361 072
Capital grants		
USDG	136 838 744	-
	1 360 089 072	1 251 361 072

26. Levies

Levies	276 912 742	239 430 031
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27. Employee-related costs

Basic	1 058 165 429	919 822 164
Bonus	100 060 141	83 522 248
Medical aid - company contributions	123 588 424	112 789 182
UIF	10 296 231	10 148 760
WCA	14 455 328	10 931 000
SDL	15 286 218	13 353 871
Leave	36 957 475	35 577 355
Other allowances	20 694 896	24 131 307
Bargaining council levies	702 823	661 555
Pension funds adjustment	(16 031 472)	(6 330 552)
Defined contribution plans	181 989 089	159 144 172
Overtime payments	186 719 754	153 004 390
Acting allowances	2 359 583	1 991 006
Car allowance	37 501 286	38 034 524
Housing benefits and allowances	3 478 640	3 188 498
Provident fund	144	144
Public holiday allowance	47 183 872	42 672 249
Medical examinations	182 660	17 591
Hostel charges	-	1 100 418
	1 823 590 521	1 603 759 882

28. Depreciation and amortisation

Property, plant and equipment	95 754 048	84 514 729
Intangible assets	130 256	19 840
	95 884 304	84 534 569

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29. Finance costs

Interest on shareholders loan	121 143 364	112 356 248
Finance leases charges	8 727 990	1 657 250
Tax penalty	-	11 435 314
Interest unwinding on rehabilitation of landfill	66 316 229	50 346 057
Other interest adjustments	(41 803 671)	(2 672 770)
	154 383 912	173 122 099

30. Debt impairment

Contributions to debt impairment	899 030 013	631 085 942
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31. Fleet Cost

Contractors		
Fleet Costs	1 473 928 111	1 273 478 579
Hire and maintainance of Equipment	796 545	589 764
Fleet: Licences	11 009 232	11 912 478
Fleet: Fuel	58 570 450	45 071 886
Fleet: Repairs and maintainance	24 225 496	23 126 282
Contract : Mobile plant hire	275 715 875	172 757 900
Fleet : lease Commercial vehicles	1 099 760 361 1	020 020 268
	1 470 077 959 1	273 478 578

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

32. General expenses

Advertising	22 546	71 456
Assessment rates & municipal charges	24 603 451	31 968 023
Auditors remuneration	5 807 062	5 886 343
Bank charges	17 870	29 768
Cleaning	15 670	33 267
Consulting and professional fees	10 866 573	88 401 447
Consumables	96 548 898	88 643 840
Debt collection	530 157	951 101
Pollution Monitoring	1 225 484	942 893
Entertainment	220 201	158 287
Insurance	6 437 593	3 233 059
IT expenses	78 154 882	22 085 267
Marketing	309 102	406 192
Medical expenses	450 895	412 236
Printing and stationery	1 015 958	967 333
Security (Guarding of municipal property)	15 996 139	52 100 144
Staff welfare	442 922	563 438
Subscriptions and membership fees	182 016	225 203
Telephone	7 998 826	8 538 209
R & CRM service fee	6 063 000	5 732 034
Training	5 681 687	4 021 412
Travel - overseas	72 359	157 886
Loss on disposal of assets	5 171 298	886 022
Director's fees	1 503 510	1 462 758
Contractors	7 541 640	5 050 324
Sundries	323 845	330 091
Waste disposal fees	55 773 886	68 188 856
Recruitment costs	568 150	2 984 859
Payroll processing	1 104 058	1 208 277
Contractors: Waste Cleaning	92 703 124	92 605 203
Billing charges	-	9 089 668
Long services awards	535 800	1 315 900
	427 888 602	498 650 796

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

33. Auditors' remuneration

Internal	1 436 968	1 399 971
External	4 370 093	4 486 373
	5 807 061	5 886 344

34. Taxation

The company is in a tax loss situation with a tax loss of R 327 752 680 (2024: R nil). The assessed loss and temporary difference results in a deferred tax asset. In terms of IAS 12 deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that taxable profit will be available against which temporary differences will be utilised. Management is of the view that no future taxable profit will be realised, hence no deferred tax asset is recognised.

Reconciliation of the tax expense

Reconciliation between applicable tax rate and average effective tax rate.		
Applicable tax rate	27,00 %	27,00 %
Tax loss used	(27,00)%	(27,00)%
	- %	- %

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

35. Cash generated from (used in) operations

(Deficit) surplus	(144 828 254)	206 058 936
Adjustments for:		
Depreciation and amortisation	95 884 304	84 534 569
Adjustment on landfill sites	(41 803 671)	(6 330 552)
Finance costs	66 316 229	52 003 307
Debt impairment	899 030 013	631 085 942
Leave provision	36 957 475	35 577 355
Bonus provision	14 132 243	53 863 314
Loss on disposal of asset	5 171 298	886 022
Operating lease equalisation	-	20 327
Changes in working capital:		
Inventories	2 404 682	(7 006 042)
Receivables from exchange transactions	(978 368 727)(1)	014 357 116)
Other receivables	(3 172 497)	(3 268 368)
Intercompany receivables - COJ	(525 017 426)	(752 344 639)
Intercompany receivables - COJ	(574 935 319)	144 257 457
Payables from non-exchange transactions	(122 083 420)	89 020 578
Payables from exchange transactions	564 079 922	73 368 206
Movement in provision	6 837 356	9 337 707
Inter-company liabilities - Salaries	888 603 573	406 472 032
Intercompany receivables - COJ	-	(5 819 249)
Receivables from non- exchange transactions	(16 956 996)	(11 374 509)
	172 250 785	(14 014 723)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. Financial instruments disclosure

Categories of financial instruments

2025		
Financial assets	At amortised cost	Total
Intercompany receivables CoJ- current	2 057 485 806	2 057 485 806
Intercompany receivables CoJ-non- current	1 089 691 503	1 089 691 503
Receivables from exchange transactions	1 335 304 655	1 335 304 655
Receivables from non-exchange transactions	72 415 310	72 415 310
Other receivables	17 923 044	17 923 044
Other inter-company receivables	664 479 116	664 479 116
Cash and cash equivalents	1 380 272	1 380 272
	5 238 679 706	5 238 679 706
Financial liabilities	At amortised cost	Total
Loans from shareholders	1 182 708 218	1 182 708 218
Intercompany liability	2 394 854 856	2 394 854 856
Trade and other payables from exchange transactions	2 089 339 342	2 089 339 342
Finance lease- current	56 020 000	56 020 000
Finance lease- non-current	171 431 095	171 431 095
	5 894 353 511	5 894 353 511

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

36. Financial instruments disclosure (continue)

Categories of financial instruments

2024		
Financial assets	At amortised cost	Total
Intercompany receivables CoJ- current	1 594 968 383	1 594 968 383
Intercompany receivables CoJ-non- current	1 073 307 448	1 073 307 448
Receivables from exchange transactions	1 294 619 388	1 294 619 388
Receivables from non-exchange transactions	62 297 285	62 297 285
Other receivables	14 750 547	14 750 547
Other inter-company receivables	89 543 797	89 543 797
Cash and cash equivalents	16 328 652	16 328 652
	4 145 815 500	4 145 815 500
Financial liabilities	At amortised cost	Total
Loans from shareholders	1 183 847 830	1 183 847 830
Intercompany liability	1 506 251 283	1 506 251 283
Trade and other payables from exchange transactions	1 519 384 569	1 519 384 569
Finance lease- current	11 794 071	11 794 071
Finance lease- non-current	53 557 035	53 557 035
	4 274 834 788	4 274 834 788

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

37. Commitments

Authorised capital expenditure

Already contracted for

Property, plant and equipment	363 978 393	134 575 416
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Total capital commitments

Already contracted for	363 978 393	134 575 416
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Total commitments

Authorised capital expenditure	363 978 393	134 575 416
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Operating leases - as lessee (expense)

Minimum lease payments due

- within one year	1 562 024	1 137 882
in second to fifth year inclusive	-	1 562 024
	1 562 024	2 699 906

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

38. Contingent Liability

The entity has the following contingent liabilities:

The plaintiff has issued summons for payment of R1 709 570 in damages which he contends is a shortfall of his underpayment during his employment at Pikitup. He was employed as a fleet assistant but contends he was a driver and should have been paid as such. Pleadings have been closed and prospects of success are highly unlikely as part of his claim has already prescribed and the dates of employment are incorrect as per the plaintiff's documents

The Service Provider is suing Pikitup for R192 909.04 for terminating its contract due to poor performance in compiling the specifications and bill of costs for the construction of the Marlboro Depot which resulted in Pikitup incurring additional costs for work not quoted. Applicant has already indicated its intention to withdraw the claim.

The Plaintiff alleges that a truck belonging to a Pikitup service provider, drove into their client's storefront, which was at the time closed and secured, by a steel rolling door or grille causing damage to the door or grille causing damages to the shop. the plaintiff is claiming R1 292 500. The prospect of success are highly unlikely as Pikitup was wrongly cited. The claim is supposed to be against the service provider as it was their vehicle that cause accident, not Pikitup's. The supplier for storage services is claiming payment for 45 outstanding invoices amounting to R289 914, emanating from a 2017 Service Level Agreement. A notice of Intention to defend was served and filed. The prospect of success is highly likely due to lack of documentation from Pikitup.

The Plaintiff is suing the entity and a pension fund administrator for a repudiated claim by the fund following the death of his wife. The fund stated that he failed to register his wife as a beneficiary. Special plea and plea have been entered into. The prospects of success are highly unlikely as Pikitup was wrongly cited. The claim is supposed to be against two pension fund administrators that have administered the retirement funds. The claim amount is R40 000.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39. Related parties

Relationships	Refer to directors' report note 40
Directors	The City of Johannesburg Metropolitan Municipality
Controlling entity	City of Johannesburg Property Company SOC Ltd
Other members of the group	City Power Johannesburg SOC Ltd
	Johannesburg City Parks NPC
	Johannesburg Development Agency SOC Ltd
	Johannesburg Metropolitan Bus Services SOC Ltd
	The Johannesburg Tourism Company NPC
	The Johannesburg Water SOC Ltd
	The Metropolitan Trading Company SOC Ltd
	Joburg Theatre SOC Ltd
	The Johannesburg Fresh Produce Market SOC Ltd
	The Johannesburg Zoo NPC
	Johannesburg Social Housing Company SOC Ltd
	Johannesburg Civic Centre

Related party balances

Loans accounts owing by related parties	3 428 743 659	2 721 747 958
City of Johannesburg Metropolitan Municipality		
Loan account owing to related parties	3 801 375 487	2 730 595 404
City of Johannesburg Metropolitan Municipality		
City of Johannesburg Metropolitan Municipality (included in payables from exchange transactions)	-	314 756 330
Metropolitan Trading Company	52 875 701	15 669 165
The Johannesburg Fresh Produce Market SOC Ltd	-	17 855
Johannesburg Water SOC Ltd	-	36 357 707
City Power Johannesburg SOC Ltd	-	8 718 331
Johannesburg City Parks NPC	-	625 381
Johannesburg Development Agency	58 229 724	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39. Related parties (continued)

Related party transactions

Income with related parties City of Johannesburg Metropolitan Municipality	1 176 399 759	1 285 865 372
Johannesburg Social Housing Company SOC Ltd	2 505 796	2 535 341
Johannesburg Metropolitan Bus Service SOC Ltd	328 063	201 208
City Power Johannesburg SOC Ltd	1 022 271	667 872
Johannesburg Water SOC Ltd	3 139 470	3 489 073
Joburg Theatre SOC Ltd	698 397	693 635
Johannesburg City Parks NPC	1 907 441	2 495 271
Johannesburg Roads Agency SOC Ltd	147 362	235 087
The Johannesburg Fresh Produce Market SOC Ltd	15 041 088	13 581 667
Expenditure with related parties City of Johannesburg Metropolitan Municipality	210 106 314	149 649 465
City Power Johannesburg SOC Ltd	5 805 013	5 581 986
Johannesburg Water SOC Ltd	11 786 244	20 539 382
Johannesburg Development Agency	4 978 323	-
The Johannesburg Fresh Produce Market SOC Ltd	2 603	695
Metropolitan Trading Company	35 178 000	1 193 070

Other expenses paid to (received from) related parties

City of Johannesburg Metropolitan Municipality - sweeping interest	(86 670 858)	(93 224 618)
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The amounts above are exclusive of Value Added Tax.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39. Related parties (continued)

Remuneration of management: Executive management

2025

Name	Basic salary	Bonuses and performance related payments	Acting allowance	Travell allowance	Medical aid contribution	Gratuity	Pension fund contribution	Leave payout	Total
Njingolo BP (Executive Director)	3 768 371	259 954	-	-	66 178	21 816	-	-	4 116 319
Mr Matsila L S Chief financial Officer	2 820 263	307 515	-	-	-	21 816	202 013	-	3 351 607
Mr Ramatlo RM (Chief Operations Officer)	753 645	-	-	100 000	-	-	110 460	-	964 105
Mr Selepe LD (Acting Chief Audit Executive)	1 903 341	222 990	118 762	120 000	20 908	21 816	146 489	-	2 554 306
Mr Mafunzwaini A (Acting Chief Operations Officer)	1 493 074	180 186	147 216	120 000	66 178	-	122 996	78 904	2 208 554
Ms Dladla N (Executive Manager Business Sustainability)	856 319	-	-	-	-	-	-	-	856 319
Dr Radingoana ND (Acting Executive : Landfill)	1 319 653	109 833	148 513	144 000	37 299	-	146 891	65 585	1 971 774
Zwane C (Acting executive Manager : Audit andRisk)	1 865 981	284 132	125 766	120 000	-	-	145 471	127 251	2 668 601
Masia A (Acting Chief Operational Officer)	1 050 546	164 749	128 334	300 000	66 178	-	231 120	-	1 940 927
Ndou JN (Executive Manager: Corporate Services)	2 220 680	124 734	-	-	45 835	-	163 900	-	2 555 149
	18 051 873	1 654 093	668 591	904 000	302 576	65 448	1 269 340	271 740	23 187 661

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

39. Related parties (continued)

Executive management

2025

Name	Basic salary	Bonuses and performance-related payments	Acting allowance	Travel allowance	Medical aid contribution	Gratuity	Pension fund contribution	Leave payout	Total
Njingolo BP (Executive Director)	3 217 535	104 671	-	-	59 753	18 180	-	227 285	3 627 424
Mr Matsila L S Chief financial Officer	2 641 658	188 293	-	-	-	21 816	193 499	-	3 045 266
Mr Mpangalasane BJ (Chief Operatios Officer)	724 609	-	-	-	265 720	-	163 745	-	1 154 074
Mr Mafunzwaini A (Acting Chief Operations Officer)	1 415 617	94 975	190 239	120 000	63 329	-	117 114	-	2 001 274
Ms Masia A (Acting Chief Operations Officer)	988 287	78 154	30 634	300 000	63 329	-	217 423	-	1 677 827
Mr Selepe LD (Chief Audit Executive)	1 774 653	143 911	78 989	120 000	20 909	21 816	140 315	-	2 300 593
Dr Ndou JN	1 572 879	-	-	-	45 835	-	117 745	-	1 736 459
Mr Marweshe I (Acting Executive Director Corporate Services)	1 343 290	182 835	50 014	341 292	25 481	-	125 253	222 073	2 290 238
Ms Louw C (Executive Manager : Legal, Governanca, Risk and Compliance)	761 205	162 836	-	118 750	23 157	18 180	66 148	944 659	2 094 935
Mr Mutshinya M (Acting Executive Manager: Legal, Governanca,Risk and Compliance)	1 655 961	164 968	141 290	109 791	63 329	-	113 019	-	2 248 358
Ms Mthethwa CN (Acting Executive: Business Sustainability)	1 254 623	156 308	87 481	144 000	63 329	-	107 086	-	1 812 827
Zwane C (Acting executive Manager : Audit andRisk)	1 771 006	134 788	61 443	120 000	-	-	138 515	-	2 225 752
	19 121 323	1 411 739	640 090	1 373 833	694 171	79 992	1 499 862	1 394 017	26 215 027

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

40. Directors' and prescribed officers' remuneration and other benefits paid, payable, or receivable

Non-Executive

2025		
	Directors' fees	Total
Mr Nedzamba M (Chairperson)	176 000	176 000
Mr Marota NS	200 000	200 000
Mr Maseng O	160 000	160 000
Ms Mogagole K	1 172	1 172
Mr Mokwena T	140 000	140 000
Mr Ndhlovu MM	6 549	6 549
Ms Radebe M	168 000	168 000
Mr Sekoba AN	158 000	158 000
Mr Shi Hai S	148 000	148 000
	1 157 721	1 157 721
2024		
	Directors' fees	Total
Mr Nedzamba M (Chairperson)	157 000	157 000
Nr Ndlhovu M	3 758	3 758
Mr Radebe M	150 000	150 000
Ms Sekoba AN	134 000	134 000
Mr Shi Hai S	134 000	134 000
Ms Majavu D	160 000	160 000
Mr Mokwena T	138 000	138 000
Mr Sibeko MS	44 000	44 000
Mr Mpangalasane JB(retired 12 September 2023)	12 000	12 000
Ms Kutumela T	134 000	134 000
Mr Marota SN	187 000	187 000
	1 253 758	1 253 758

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

41. Change in estimate

Property, plant and equipment

The useful life of landfills was estimated in 2024 as follows

- Robinson deep - 1 years (2024:2 years)
- Goudkoppies - 1 years (2024:4 years)

The impact on depreciation is R 16 673 717 (2024: R 5 001 909)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

42. Prior-year adjustments

Presented below are those items contained in the statement of financial position, statement of financial performance that have been affected by prior-year adjustments:

Statement of financial position

2024

	As previously reported	Reclassification	Correction of error	Total
Intercompany- receivables	1 591 458 936	-	3 509 447	1 594 968 383
Accumulated deficit	(143 888 723)	-	3 509 447	(140 379 276)
Payables from non-exchange transactions	(112 993 752)	-	(9 089 668)	(122 083 420)
	-	-	-	-

Statement of financial performance

2024

Cash flow statement

2024

Note	Correction of error	Re-classification	Restated
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Errors

The intercompany receivable amount of R3 509 447 relates to for gratuities on employee benefits owed by the City. The amount is paid through payroll and reimbursed by the city through the intercompany assets held by the City. Retained earning was adjusted for the same amount.

This R9 089 668 correction relates to income tax assesment of the prior year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

43. Risk management

Financial risk management

The entity as an integrated risk management framework. The entity's approach to risk management is based on risk governance structures, risk management policies, risk identification, measurement and reporting. Three types of risk are reported as part of the risk profile, namely operational, strategic and business continuity risks. Operational risks are events, hazards, variances or opportunities which could influence the achievement of the entity's compliance and operational objectives. A strategic risk is a significant unexpected or unpredictable change or outcome beyond what was factored into the organisation's strategy and business model which could have an impact on the entity's performance. Business continuity risk are those events, hazards, variances and opportunities which could influence the continuity of the entity.

One of the risk for entity identified both under the operational and strategic risk categories, is the financial sustainability of the entity. The financial risks and the management thereof, form part of this key risk area. The types of financial risks which are considered to form the major part of the risk profile of the entity are liquidity risk, credit risk and market risk.

The board of directors have delegated the oversight management of enterprise-wise risk to the audit committee. One of the committee's objectives is to ensure that Pikitup is not unduly exposed to financial and market risks. Treasury risk management is carried out by a central treasury department under policies managed by the City of Johannesburg Metropolitan Municipality.

Liquidity risk

Liquidity risk is the risk that the entity will not have sufficient financial resources to meet its obligations when they fall due, or will have to do so at excessive costs. The risk can arise from mismatches in the timing of cash flows from revenue, capital and operational outflows. Funding risk arises when the necessary liquidity to fund liquid asset positions cannot be obtained at the expected terms and when required.

The entity manages liquidity risk through an ongoing review of future commitments and credit facilities. Cash flow forecasts are prepared and managed against available funds. The entity's funding is managed by the City of Johannesburg Metropolitan Municipality. The City borrows money in the open market through the issue of bonds as and when required. Prudent liquidity risk management implies maintaining sufficient cash.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

43. Risk management (continued)

Credit risk

Credit risk is the risk of financial loss to the entity if a customer fails to meet its contractual obligations. This arises primary from the entity's receivables from exchange transactions.

Receivables from exchange transactions comprise a widespread customer base. The entity's exposure to credit risk is influenced by the individual characteristics of each customer. In monitoring credit risk, customers are grouped according to their credit characteristics, including ageing profile and payment history.

Management evaluates credit risk relating to customers on an ongoing basis. CoJ credit control department assess the credit quality of the customer, taking into account its financial position, past experience and other factors. The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date are as follows.

Financial assets exposed to credit risk at year end were as follows:

Financial instrument	2025	2024
Receivable from exchange transaction	1 335 304 655	1 294 619 388
Receivable from non exchange transaction	72 415 310	62 297 285
Intercompany - receivables COJ Non - Current	1 089 691 503	1 073 307 448
Intercompany - receivables COJ Current	2 057 485 806	1 594 968 383
Other receivables	17 923 044	14 750 547
Other inter-company receivables	664 479 116	89 543 797

Market risk

Interest rate risk

The entity has no significant interest bearing assets, apart from the sweeping balance and capital expenditure loan balance with the City of Johannesburg Metropolitan Municipality. There are no external borrowings by the entity.

Cash flow interest rate risk

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

43. Risk management (continued)

Financial instrument	Current interest rate	Due in less than a year	Due in one to two years	Due in two to three years	Current	Non-Current
Trade and other receivables from exchange transaction - normal credit terms	- %	-	-	-	1 335 304 655	-
Trade and other receivables from non- exchange transaction - normal credit terms	- %	-	-	-	72 415 310	-
Other receivables intercompany - current	- %	-	-	-	2 057 485 806	-
Other receivables intercompany - current	- %	-	-	-	664 479 116	-
Other receivables intercompany - non-current	- %	-	-	-	-	1 089 691 503
Other receivables	- %	-	-	-	17 923 044	-
Trade and other payables from exchange transaction - extended credit terms	- %	-	-	-	(2 089 339 342)	-
Loan from shareholders	- %	-	-	-	-	(1 182 708 218)
Finance lease	- %	-	-	-	(56 020 000)	-
Finance lease	- %	-	-	-	-	(171 431 095)
2024	- %	-	-	-	-	-
Trade and other receivables from exchange transaction - normal credit terms	- %	-	-	-	1 294 619 388	-
Trade and other receivables from non- exchange transaction - normal credit terms	- %	-	-	-	62 297 285	-
Other receivables intercompany -current	- %	-	-	-	1 594 968 383	-
Other receivables intercompany -non-current	- %	-	-	-	-	1 073 307 448
Other- inter-company receivables	- %	-	-	-	89 543 797	-
Other receivables- intercompany	- %	-	-	-	14 750 547	-
Trade and other payables from exchange transaction - extended credit terms	- %	-	-	-	(1 519 384 569)	-
Loan from shareholders	- %	-	-	-	-	(53 557 035)
Finance lease	- %	-	-	-	(11 794 071)	-
Finance lease	- %	-	-	-	-	(53 557 035)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

43. Risk management (continued)

Price risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market prices. Those changes are caused by factors specific to the individual financial instruments and factors affecting similar financial instruments in the market. The entity is not exposed to price risk as the external borrowing is done by the shareholder on behalf of the entity.

44. Going concern

We draw attention to the fact that at 30 June 2025, the entity had an accumulated (deficit) of R(337 300 000)(2024: R192 471 744)) and that the entity's total liabilities exceed its assets by R(294 297 192) (2024: R149 468 936).

Due to the fact that the entity's liabilities exceed its assets, the shareholder as the main creditor has issued a subordination letter that will ensure that the entity continues to operate as a going concern.

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

45. Fruitless and wasteful expenditure

Opening balance as previously reported	18 748 133	4 036 861
Add: Fruitless and wasteful expenditure identified - current	-	12 319 700
Add: Fruitless and wasteful expenditure identified - prior period	-	3 657 116
Less: Amount written off - current	-	(1 265 544)
Closing balance	18 748 133	18 748 133

46. Irregular expenditure

Opening balance as previously reported	1 080 024 851	1 348 719 426
Add: Irregular expenditure - (Non-compliance with laws and regulations) - current	166 060 306	145 024 082
Add: Irregular expenditure - (Overspending of approved budget) - current	409 907 924	13 993 706
Less: Amount written off - current (	1 025 181 747)	(427 712 363)
Closing balance	630 811 334	1 080 024 851

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

46. Irregular expenditure (continued)

Incidents/cases identified/reported in the current year include those listed below:

Disciplinary steps taken/criminal proceedings

Fleet Cost	-	684 645
Employee Cost	-	2 315 346
Rental cost	-	14 100 063
Overspending on budget	409 907 924	13 993 706
Illegal dumping	163 610 138	119 416 985
Panel for recruitment services	-	2 636 630
IT services	2 450 167	5 870 713
	575 968 229	159 018 088

The identified irregular expenditure is referred to the internal auditor for further investigation as part of the consequence management process. The investigations by internal auditor assess if there was value for money received by the entity and recommend consequence management to be initiated against the responsible official. The Accounting officer act on the recommendation by the Internal auditor for any consequence management action to be taken. The reports by the internal auditor are then submitted to the Board of Directors to justify any write off of the irregular expenditure sought.

The amount disclosed are exclusive of VAT.

- Illegal dumping - The procurement process for illegal dumping contract was deemed irregular due to bidders incorrectly included in the panel and other erroneously excluded in the panel.
- IT services - Procurement process did not comply with the supply chain management policy and consequence management was implemented. The initial contract expired before a new one was concluded.

The main contributor to overspending is non-cash item of debts impairment, mobile plant hire, co-operative cost for EPWP (that was not budgeted) and fleet cost due to the continuous demand of service delivery experienced during the year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

47. Deviation from supply chain management regulations (Regulation 36)

Paragraph 12(1)(d)(i) of Government gazette No. 27636 issued on 30 May 2005 states that a supply chain management policy must provide for the procurement of goods and services by way of a competitive bidding process.

There were supply chain management deviations during the year under review resulting from various services procured within the entity amounting to R1 099 780 and these are listed below.

Deviations approved by the Accounting Officer	Total in Rand
	-
Recruitment services	808 128
Provision of landfill airspace	1
Audit and forensic investigation services	1
Advertising	22 545
Calibration of medical equipment	46 919
Catering	1 773
Supply and delivery of fruits	49 913
Enviromental audit	170 500
	1 099 780

Recruitment services : The service provider was appointed for recruitment and placement of 400 general workers. This procurement was interms of Regulation 36(1)(a)(v), impractical or impossible to follow official procurement process .

Landfill airspace: The landfill airspace was procured as a sole service providers. There are only three available airspace in the northern region of the City of Johannesburg. The entity disposes at the private landfill sites for depots located in the northern part of the City. The procurement was at the unit rate.

Aufit and forensic services: The service provider was appointed to provide audit and forensic services in relation to allegations related to shooting incident of our employeethat took place near one of our depots. The appointment was awarded on a unit rate basis. this procument was done under Regulation 36(1)(a)(i)(v), in an emergency, impractical or impossible to follow official procurement process exceptional cases.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

47. Deviation from supply chain management regulations (Regulation 36) (continued)

Advertisement: The service provider was appointed to assist the entity to place an advert on the newspaper in terms of Regulation 17 (1) (c) once off.

Calibration of medical equipment: The service provider was appointed to calibrate medical equipment in terms of Regulation 17 (1) (c) as a single source.

Catering service: The procurement of catering services with a variation of 9.38%.

Delivery of fruits: Supply and delivery of fruits for wellness day in terms of Regulation 18 and 17(1) (a) (c).

Environmental audit: The service provider provided environmental audit services in terms of Regulation 17 (1) (c).

All amounts above are exclusive of VAT.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

48. Budget variances

Material differences between budget and actual amounts

- (a) Service Charges – Service charges are marginally over budget as a result of increased billing from landfill revenue and domestic refuse charges due to the increase in customers.
- (b) Other Revenue – Other revenue is ad-hoc in nature and variances are anticipated. For the financial year revenue was under budget
- (c) Interest Received – Interest income is earned from debtors and sweeping account balances. The amounts are above the budget due to the increase in the debtors and sweeping balances compared to comparative year.
- (d) Government grants and subsidies – Receipts from the City of Johannesburg for services were in line with the budget. The over budget amount is for the USDG Grant received to fund Infrastructure projects that was not budgeted on the statement of financial performance.
- (e) Government grants and subsidies – Receipts from the City of Johannesburg for services were in line with the budget. The over budget amount is for the USDG Grant received to fund Infrastructure projects that was not budgeted on the statement of financial performance.
- (f) Levies – Levies are charged to businesses within the City for cleaning the central business districts and were over budget in the financial year. The increase is above budget due to the increase in the number of business premises.
- (g) Personnel cost – Personnel cost were over budget mainly due to the implementation of the Politically Facilitated Agreement (PFA) implemented by the city that was not fully funded.
- (h) Fleet cost – cost are over budget due to the continuous demand of service delivery within the City and the overall increase in households through out the year. The continuous increase of backyard dwellers within the City continues to place our operating resources under pressure. The budgeted frequency of collection of waste from household is not sufficient to eliminate illegal dumping which then leads to a demand of extra fleet resources to be deployed.
- (i) Depreciation and amortisation – Depreciation cost are over budget for the financial year due to additional fleet received during the year.
- (j) Lease rental cost – Lease cost were reasonably within the budget.
- (k) Debt impairment cost – Debt Impairment increased significantly compared to prior financial year due to low collection rate of revenue or debtors balance.
- (l) General expenses – Savings on Security expenses and legal expenses were the biggest contributors to the under expenditure on General expenses. There was no security contract during the year, hence the saving.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

49. Accounting by principals and agents (continued)

The entity is a party to a principal-agent arrangement(s).

Details of the arrangement are as follows;

There are binding arrangements in which the City of Johannesburg Metropolitan Municipality, bills and collects the revenue on behalf of the Pikitup and process payroll including third party payments.

The entity is the principal. The significant judgements applied in making the assessment has been disclosed on the accounting policy number 1.2 (Significant judgements and sources of estimation uncertainty).

The Municipality is charging Pikitup for these services and no changes have occurred to this arrangement in the reporting period.

The purpose of the principal-agent relationship is mainly to reduce costs as the billing is centralised at the City of Johannesburg Metropolitan Municipality and there are no significant risks to this arrangement and benefits associated with the relationship are cost reduction on Pikitup as there is no need to employ more employees for the revenue department and human resources department specifically for payroll processing.

Entity as principal

Resources (including assets and liabilities) of the entity under the custodianship of the agent Revenue Billing and cash collection.

The cash collected has been recognised by the agent in its financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

49. Accounting by principals and agents (continued)

The remittance of resources during the period were done as and when required as the City of Johannesburg Metropolitan Municipality keeps all the cash collections through the use of the sweeping account.

The expected timing of remittance of remaining resources by the agent to the entity, are as and when the resources will be required by the entity.

Payroll Processing

The asset has been recognised by the agent in its financial statements for the payroll payments for Pikitup.

The City of Johannesburg invoices Pikitup for the payroll payments made and the reimbursements and the payroll charges are made as and when.

The expected timing of remittance of remaining liability, are as and when the resources required are available. The expected timing of remittance of remaining resources by the agent to third parties, are as per the legislation.

Resource or cost implications for the entity if the principal-agent arrangement is terminated, are increase in payroll costs as well as software costs used for billing and other costs associated with the revenue department and collection of debts and human resources department.

Capital Project Management by JDA

Pikitup has recognised the management fee as per the SLA between the entity and JDA This relates to JDA implementing capital projects on behalf of Pikitup

JDA invoices Pikitup when the services are rendered.

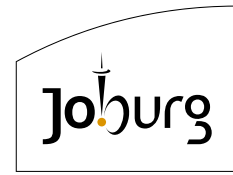
The expected timing of the remittance of the remaining liability , are as and when resources required are available . The expected timing of remaining resources by the agent to the third parties, are as per legislation.

Fee paid

Fees paid as compensation to the agent for revenue billing and collection amounts R 6 063 000 (2024: R5 732 034) and for payroll processing R1 104 058 (2024: R 1 208 277).

The fees paid to JDA amount to R4 978 323 (2024 : Nil).





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