



water & sanitation

Department:
Water and Sanitation
REPUBLIC OF SOUTH AFRICA

**ADDRESS BY THE MINISTER OF WATER AND SANITATION, MS.
NOMVULA MOKONYANE, ON THE OCCASION OF BUDGET VOTE
NUMBER 36**

NEW ASSEMBLY CHAMBER, PARLIAMENT, CAPE TOWN

**THEME: *"The Year of Oliver Reginald Tambo: Unity in Action Together Moving
South Africa Forward"***

26 May 2017

Honourable Chairperson

Honourable Chairperson of the Portfolio Committee and Committee Members

Honourable Deputy Minister

Honourable Members of Parliament

Director- General and the entire water family

Honoured Guests

Ladies and Gentlemen

It is my singular honour to present to Parliament and the people of South Africa, the Budget of the Department of Water and Sanitation for the 2017/18 financial year.

We table this year's budget vote under the theme **"The Year of Oliver Reginald Tambo: Unity in Action, Together Moving South Africa Forward"**.

South Africans are therefore called upon to unite as espoused in the precepts and imperatives of the National Development Plan, the ANC's Manifesto and the second National Water Resource Strategy. We want this budget to reach out to those unserved communities, the rural poor, living in under-developed areas, like where the late President Oliver Tambo hails from.

Honourable Members,

As we have said before, water knows boundaries and water can be a social, security and economic catalyst, both nationally and internationally.

As a country, we participate in many global strategic platforms that seeks to position the water sector in the centre of the international debate on water and sanitation.

To mention but a few:

- The High Level Panel on Water
- Water Resource Group (WRG)
- AU Infrastructure in support of Vision 2063
- World Economic Forum and the World Economic Forum on Africa

We are pleased to announce that South Africa, in partnership with the Global Water Partnership (GWP), working together with the African Ministers on Water (AMCOW) will host one of the regional consultations on Valuing Water, Job Creation and Industrialisation. This initiative will support countries to enhance job creation through investments in water infrastructure and industrialization.

Fellow South Africans,

We live in a country that is the 30th driest in the world; a country where water and sanitation services were previously used to promote inequality. However, with the dawn

of democracy, a people's government has found it fit to use water and sanitation as a means of uniting South Africa, alleviating poverty and creating jobs.

Since the coming into office of the 5th Administration, the country has been hit by the worst drought in the last 100 years and the severest for the Western Cape, in the last 104 years. This drought has not only affected South Africa, but also the rest of the world.

As at the 22nd of May 2017, the total capacity of the 215 major dams that are measured on a weekly basis, is at 72.6%. As we previously said, we have not fully recovered and it will take a period of not less than 2 to 3 years to fully recover and worst for the Western Cape, with its winter rainfall where even climate scientists remain non-committal on the predictions.

Despite the rain that we experienced recently, all provinces are still under water restrictions, except Gauteng province.

Amid all the challenges and the risks related to the drought, let us thank all South Africans for having partnered and taken direct responsibility for efficient water use. We must commend ourselves that despite the severe drought, no major loss of life and the breakout of major water- borne diseases, were experienced.

Thank you South Africa. Dankie, Siyabonga.

The emergency interventions such as the rehabilitation and drilling of boreholes, carting of water by motorized tankers, erection of emergency static tanks and reservoirs, and the refurbishment of infrastructure has had a significant impact on mitigating the effects of the drought.

Let us commend our municipalities for complying and cooperating with the national conditions that were set under the disaster management.

Honourable Members,

Water storage for the present and the future remains critical for creating certainty for economic and social development of our country. This then calls on us to build more infrastructure that will address unemployment, inequality and poverty.

To mention, just but a few infrastructure projects:

The Mzimvubu Water Scheme is one of the critical socio-economic transformation projects of the current administration. It is an intervention in a previously neglected part of our country where through this development, we aim to create no less than 5 000 employment opportunities in the construction phase and 3 700 post-construction. This will also result in water supply to over 726 000 people within the catchment and in the areas of Alfred Nzo, Joe Gqabi and OR Tambo.

Fellow South Africans,

A nation as big and economically advanced as South Africa, is overly dependent on water transferred from Lesotho, particularly for our economic hub, Gauteng. We are now at Phase II of the Lesotho Highlands Water Project that will augment the Vaal River System through the transfer of the additional volumes of water from Lesotho.

The main features of Phase II are the Polihadi Dam and the expansion of the pipeline to Katse Dam.

Through sound partnership with Lesotho, we have intensified our efforts to ensure that water would be available in storage in the new Polihali Dam as early as December 2024, and that water would be transferred to Katse Dam for delivery to South Africa by September 2025. Subsequent to the review of the procurement policies, in line with the

Treaty Agreement in favour of South Africans and BaSotho, there is now a 54% value in favour of advance infrastructure contracts to South African owned companies.

In the immediate, construction on Phase 2 will focus on access roads, feeder roads, residential areas and other infrastructure areas such as electricity and communication.

Furthermore, as part of our augmentation of the Vaal River System, an intervention has been made by government to attend to the three (3) water basins in the Witwatersrand that were contaminated by the historically neglected mine water, known as Acid Mine Drainage (AMD).

Our interventions entailed the pumping of the acid mine water and neutralizing it using high density de-sludge treatment. Through this intervention, government has been able to bring 242 million litres combined yield of processed mine water per day, back into the Vaal River system.

In the Northern Cape, we have commenced with the Vaal Gamagara water project which entails the development of a 432 kilometer pipeline. Phase One (1) of the project will focus on the 82 kilometer pipeline that will stretch from Roscoe in Kathu to Black Rock.

On completion of Phase One, beneficiaries will include the mining sector, livestock farms, solar parks and the communities of Kathu, Olifantshoek and Hotazel, benefiting a populace of 23 500 and it is expected to be completed by August 2018.

The following are the augmentation schemes, to support water security in South Africa:

- **The Raising of the Clanwilliam Dam Wall and Irrigation Scheme (Western Cape)** to increase water storage capacity for emerging black farmers and unleashing the economic potential of the area.

- **The Raising of Tzaneen Dam (Limpopo)** will see construction for the raising of the dam wall, commencing by July 2017.
- **Lower Thukela Regional Bulk Water Scheme (KZN)** will be completed in Dec 2017. This scheme will supply additional water to the coastal and inland areas of KwaDukuza LM and Mandeni LM.
- **Mogalakwena Bulk Water Supply (LP)** will see 94 000 people as well as mines in the Waterberg area, benefitting from the project. The project aims to deliver water to Mokopane town and villages to the immediate north of Mokopane town.
- **The Namakwa Bulk Water Supply Scheme (NC)** is set to benefit 11 500 households in the Namakwa Region.
- **The Hoxane Water Treatment Works (MP)** has seen the completion of phases 1 and 2. Phase 3 will provide an additional 27 million litres per day of purified water for the benefit of emerging black farmers.
- **Mokolo Crocodile West Augmentation - Phase 2A (MCWAP-2A)**
Phase 2A of MCWAP comprises a 160 km pipeline to transfer water from the Crocodile River West near Thabazimbi, to the Lephalale area. This project will support electricity generation for our country.
- **The Lushushwane Bulk Water Supply (MP) Phase 2** is targeted to be completed in October 2017 and will benefit the communities in Gert Sibande in Mpumalanga.

The department intervened on the basis of a court order, when Mopani District had failed to deliver basic services resulting in the loss of life and the collapse of the health system in Giyani. In line with the court order, interventions were made on basic water and sanitation services.

Through the interventions, we are now in a position to hand over Nkhensani Hospital Groundwater Augmentation, 16 Priority Villages Groundwater Augmentation, the Giyani and Nsami WWTW, 3 pump stations, as well as the Kremetart High & Low Reservoirs.

The impact on the intervention led to the improvement of bulk water supply, access to water, the prevention of effluent discharge from the waste water treatment works (WWTWs), operation and maintenance of the schemes and related infrastructure. Water supply is now accessed by communities within the 55 villages, for the first time. A close out report on the emergency, has now been received and a long- term intervention is now under consideration.

One of the fastest growing nodes in the country is Polokwane. In support of the provincial growth and development strategy (PGDS) of Limpopo, we have since completed a feasibility study for the entire Polokwane City and in this financial year, we will develop the pipeline infrastructure from the Ebenezer Dam to Polokwane.

In the North West Province, we will supply water to five (5) mines and provide reliable supply of potable water to the municipal areas of Moses Kotane, Rustenburg and Thabazimbi Local Municipality, which will benefit a combined population of approximately 826 212 people who stand to benefit.

The Jozini water treatment plant in Kwa-Zulu Natal is complete. The project comprises a 40 million litres per day water treatment plant and 13 reservoirs along the main bulk

pipeline. An additional 14th reservoir is under construction and another 3 pump stations will be constructed along the main bulk pipeline.

Honourable Members

We have completed five (5) Regional Bulk infrastructure and have handed over to municipalities, as follows:

- Steytlerville in Eastern Cape
- Noupoort and Norvalspont in Northern Cape
- Paarl bulk water and Citrusdal Waste Water Treatment Works in the Western Cape
- Kalahari East to Mier pipeline Phase 1 in the Northern Cape

In Mthatha the KSD Presidential Intervention Project is on track. We have completed an upgrade of the Thornhill Water Treatment Works, upgrading it from 60 to 80 million litres. We have also upgraded the waste water treatment works increasing the capacity from 12 to 24 million litres.

Through these developments, we will unlock a 6 500 unit housing development in Ngangelizwe. We are also extending bulk pipelines to supply Libode, Ngqeleni and Mqanduli.

In Free State, the projects that have been completed include Brandfort raw water pipeline, the Rosendal pipeline and the upgrading of the bulk sewer water treatment works in Monyakeng/ Wesselsbron. Work has commenced and interventions has been made in Maluti A Phofong.

Honourable Members,

As part of the drought interventions, early last year, there was a potential threat of industry shutting down as a result of the severity of the drought in Richards Bay. Working in partnership with the municipality and the private sector, we are proud to indicate before this House, that a desalination plant that yields 10 million litres per day, at a cost of R300 million was constructed within a period of seven months.

The plant operates at 60% energy efficiency. These volumes have been able to help local government to receive 20 million litres of water from the private sector and redistribute it back to a populace of 175 000 households.

Today, we are joined by Paradzai Muneka as the project manager and the young Lunga Patso, who is in charge of the construction of this package plant.

Honourable Members,

Having alluded to the fact that we are one of the driest countries in the world, we are seized with ways and means to mitigate water losses. Among those is to continuously update the status report on Non-Revenue Water and water losses within all municipalities. The implementation of the War on Leaks programme, that is targeting young people; is one of those.

We continue with the roll out of water release modules at additional irrigation schemes, as part of water use efficiency and productivity improvement, working together with Strategic Water Partnership Network (SWPN).

The restoration of the dignity of our people is a commitment by this government.

Of the 52 300 buckets in the formal settlements that were to be eradicated, some 26 900 buckets have been eradicated and of the remaining 25 400 buckets, 14 000 is work in progress, with 11 000 remaining to be completed with alternative sanitation solutions,

working in partnership with the Department of Cooperative Governance and Traditional Affairs (COGTA) and the Water Research Commission (WRC). We can now confirm that the following provinces no longer have buckets in the formal areas namely Mpumalanga, Gauteng, Kwa-Zulu Natal, Limpopo and the Northern Cape.

As part of expanding the future development of Gauteng, we will continue with the implementation of the Sedibeng Regional Sewer Scheme that will unlock the future development in most parts of Gauteng Province.

This scheme will add over 200 million litres per day of waste water treatment capacity. Sebokeng, Meyerton, Leeuwkuil and Rietspruit are some of the projects in the regional sewer scheme.

Honourable Members,

Water security has been skewed towards a reliance on surface water. South Africa is still heavily reliant on surface water and its further development with more than two thirds of the country's average annual runoff already stored in our dams.

Groundwater is part of the water resources and the Department is moving ahead with plans to ensure the conjunctive use of surface and groundwater. The water mix will consist of:

- groundwater
- re-use of water (grey water)
- desalination of seawater and brackish water
- and rainwater harvesting, just to mention a few.

Honourable Members,

In order for us to realise a seamless approach from source to tap, as well as the disposal of waste, a standalone Water and Sanitation MINMEC was established and

started to function to coordinate effective inter-governmental relations (IGR) and stakeholder management.

As part of ensuring that communities are part of decision-making and finding local solutions, **103 water and sanitation forums** have been established for the first time in the 27 priority districts municipalities. This initiative seeks to strengthen unity in action in the delivery of water and sanitation services, where people live.

In support of co-ordination and streamlining inter-departmental and inter-governmental interventions at a local level, a forum was established consisting the Department of Cooperative Governance (DCoG), the Municipal Infrastructure Support Agent (MISA), Department of Water and Sanitation (DWS), Development Bank of Southern Africa (DBSA) and National Treasury (NT).

The following bulk water supply schemes will benefit from the interventions of this coordination committee:

- 6 in the Eastern Cape,
- 3 in the KwaZulu-Natal,
- 7 in Limpopo,
- 2 in the Northern Cape,
- 8 in the North West.

As part of our responsibilities on the Operations and Maintenance programme, 40 out of the 44 dams were rehabilitated. Urgent intervention to address safety concerns on Mthatha and Darlington Dams will be implemented during this financial year with designs scheduled to commence during second quarter.

The Rehabilitation of Canal Systems (ROCS) is a diverse programme that includes engineering design and construction. Women entrepreneurs from the Women's Incubation Programme will be at the forefront of the rehabilitation of these canals, in line

with the Preferential Procurement Policies. Today, we are joined by among others, Ms Lindiwe Dladla and Ms Palesa Mkabane who are part of the Women's Incubation Programme.

Honourable Members,

Key to water resources management is the protection of our rivers from pollution and monitoring the water quality status. Pollution by sewage is a big problem in our catchments countrywide. We have been in constant dialogue with the municipalities such as Emfuleni and Madibeng as the main contributors to some of the spillages that goes into our systems. Hartebeespoort Dam and the Jukskei River are examples where a comprehensive intervention are under consideration.

Enforcement of by-laws and compliance will be strengthened and the department will also increase the capacity to ensure enforcement on a continuous basis. Compliance with the Blue Drop and Green Drop standards will also be strictly monitored.

In pursuit of our responsibilities, good governance is essential for effective service delivery. Concerted efforts are being made towards the review of performance contracts, the capacity to implement commitments, the implementation of service level agreements (SLAs) with suppliers and service providers as well as the compliance of financial disclosures by senior managers in the department. The review of performance bonuses against performance contracts, are also underway. The good corporate standards will be extended to the entities as part of the Shareholder Compact.

Honourable Members, Ladies and Gentlemen,

To effectively carry out our mandate of the Department of Water and Sanitation we present to you today a total budget of R15 107 449 000 – 00 (15 billion, one-hundred and seven million, four-hundred and forty-nine thousand Rand). The breakdown of this budget per programme/branch is as follows:

* **Programme 1: Administration: R1 628 414 000 - 00** (One billion six-hundred and twenty-eight million four hundred and fourteen thousand Rand)

* **Programme 2: Water Planning and Information Management: R816 462 000 – 00** (Eight-hundred and sixteen million four hundred and sixty-two thousand Rand). Examples are the feasibility study for uMkhomazi project and the Lusikisiki surface and ground water study as well as the Syferfontein development in western part of Gauteng

* **Programme 3: Water Infrastructure Development: R12 251 746 000 - 00** (Twelve billion two-hundred and fifty-one million seven-hundred and forty-six thousand Rand). Examples include Mzimvubu, Clanwilliam, Hazelmere, Tzaneen/Nwamitwa, Vaal Gamagara, Gariep Augmentation, and the Olifants bulk distribution system.

* **Programme 4: Water Sector Regulation: R410 827 000 - 00** (Four-hundred and ten million, eight-hundred and twenty-seven thousand Rand): Examples are establishment of catchment management agencies and support to water institutions such as water boards

Honourable Member and distinguished guests,

The National Development Plan calls for the creation of a water and sanitation infrastructure agency, as part of building capacity of the State. A process has already started that includes the consolidation of our water boards as well as the institutional review of the department.

The Department is also coordinating the development of the National Water and Sanitation Master Plan. In the development of this plan, we have adopted an approach that is inclusive and transparent. We encourage South Africans to participate and contribute to the development of this plan.

In 2016, the national Cabinet approved the Sanitation policy whose pillars include planning, institutional arrangements, participation and ownership, skills and capacity, financial and economic aspects, as well as the sustainability of sanitation services.

There is noticeable progress on the revision of the water pricing strategy and the norms and standards for tariff setting. Currently the two documents are in the process of obtaining concurrence with the Minister of Finance prior final gazetting for implementation.

Honourable Members,

The Constitution of South Africa stipulates in Section 25(8) that “the State may not be prevented from taking measures to achieve land, water and related reforms in order to redress the results of past racial discrimination”.

Therefore in line with the Constitution, there has to be understanding that the granting of a water use licence does not mean ownership, but it is an opportunity to use water, for the purposes as stated in the licence, without depriving any other potential user of this resource in that given space. Cooperation will be expected from catchments, water user associations as well as irrigation boards, including individuals who are in possession of water use licences.

The Department published the Regulations regarding the procedural requirements for water use licence applications and appeals on 24 March 2017. The Regulations have outlined the timeframes to be adhered to, by the Department and applications are to be finalized, within not more, than 300 days.

The Department is improving capacity by recruiting 198 officials (Graduate Trainees) to be ring fenced for processing water authorization applications. The Department of

Public Works have placed 40 suitably qualified graduates at the Department of Water and Sanitation that form part of the water use licensing.

Honourable Members

This budget seeks to contribute towards eradicating poverty, inequality and unemployment.

In honour of the selfless struggles and leadership of the late President Oliver Reginald Tambo, this budget also seeks to reach out to those unserved communities in the far-flung areas such as Nkantolo in Mbizana where the late President Tambo was born.

In his honour, we commit ourselves to work together with those rural municipalities, women, youth and people living with disabilities, to bring clean and reliable water services as well as dignified sanitation services for all.

LE BONA KE BATHO

NABO NGABANTU.

We shall do this in the name of Oliver Tambo

Honourable Members,

As I conclude, I wish to say that I might not be loved by many, so let me leave you with this quote: Thousands have lived without love, but none has lived without water.

Dankie. Ngiyabonga