



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

SPEECH BY THE HONOURABLE EDNA MOLEWA, MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS ON THE OCCASION OF THE BUDGET VOTE FOR WATER AFFAIRS, PARLIAMENT, 16 MAY 2012

“WATER IS LIFE – RESPECT IT, CONSERVE IT, ENJOY IT”

Honourable Chairperson of the National Assembly
Honourable Chairperson of the Portfolio Committee
Honourable Members of Parliament
Chairpersons of Boards and CEOs of Water Entities
Distinguished Guests
Ladies and Gentlemen:

INTRODUCTION

18 YEARS OF WATER DELIVERY – A CAUSE FOR CELEBRATION

Let me take this opportunity to thank you and the people of South Africa for affording us this time, once more, to reflect on the strides we have made towards the fulfilment of our mandate of delivering water to the people of our country and ensuring that South Africa is a water-secure country. We are meeting at a time in our country's chequered history when freedom and democracy to all South Africans have to translate into tangible and meaningful results. Ladies and Gentlemen, this demands that we intensify our efforts to ensure that peace and prosperity reign inordinately in this beautiful land.

Compatriots, we are meeting at a time, when the African National Congress – the great Movement of the people – celebrates its first centenary. This is an achievement of no minor proportions. It signifies 100 years of relentless struggle and commitment to freedom and democracy for the people of South Africa.

Today marks 18 memorable years since we made the fervent commitment to provide 100% access to basic water and adequate sanitation to all our people, and this provision is a constitutional imperative.

Bagaetsho, a ke tseye tshono eno go le gopotsa ka Mme Matsheko Pine yo o ileng a nna segatlhamela masisi mo go itsiseng MoPresidente ka mathata a metsi kwa Ngobi. Matsheko bagaetsho, o nnile sekai se sentle go Ma Afrika Borwa ka go nna karolo ya

Puso mo go iseng ditirelo ko bathong, go na le go tthagisa maikutlo a gagwe ka go thiba ditsela, le go fisa dikago, ka gonne seo se tsenya matshelo a MaAfrika Borwa a mangwe mo kotsing.

Ladies and Gentlemen, you will recall that in 1994 only 59% of our people had access to clean and safe drinking water. Eighteen years later, we have progressed to a national average of 94.7 % access to basic water services for all South Africans – an increase of 35.7%. The backlog now stands at 5.3%, or some 710 000 households compared to 3,9 million households in 1994. This trend illustrates that the government's performance is on an upward trend. In spite of this, there are still many rural areas and informal settlements close to our urban areas without water.

Even more worrying is the fact that there are areas where post-1994 infrastructural deficiencies are still characterised by taps that have run dry due to poor maintenance or operational problems. Such an unacceptable state of affairs dictates that functional water infrastructure and quality services to the remaining 5.3% of the population become a task to be undertaken with a sense of urgency.

Ladies and Gentlemen, it is critical that our water policies should support and act in unison with the goals of a democratic developmental state. We are conducting a policy review during this financial year, in parallel with a review of the three pieces of legislation that fall under our jurisdiction: the National Water Act, the Water Services Act, and the Water Research Act.

The streamlining of these three pieces of legislation will ensure that they too, serve the purposes of the developmental state effectively, and enable us to meet the needs of our people in relation to water services, economic growth, and development. Flowing from this review the effective involvement of all stakeholders – particularly the poor and the marginalised in decision making processes – is one of the indispensable and critical components that will ensure that we manage our water in a way that supports the purposes of a developmental state. To this end, we are finding innovative ways to incorporate the inclusive consultative and participatory mechanisms in the law. It is for this fact that I reiterate the clarion call to all the Matsheko's out there, to speak out about their needs, expectations, and challenges. Together, we owe it to future generations of our country to find viable ways to ensure water security.

Water remains a critical resource for life and prosperity. This principle is especially true and applicable when responding to and addressing the overarching national growth and development strategies of South Africa. What must be well understood is the fact that South Africa's fresh water resource is at its limit in many areas and to be able to respond to developmental needs, will require a dramatic change in the approach towards water governance.

This new approach is reflected in our National Water Resource Strategy which we are revising and will be released for public comments in July this year, input and involvement. Furthermore, a significant consultation and listening process will be put in place for the public participation on how we should manage our water resources for the benefit of all.

STRENGTHENING THE CAPACITY OF STATE

My Department has identified the need to support and enhance the capacity of local government within the water delivery chain. We are required to provide more effective leadership in the entire water sector. It is within this context that we recognise that a lot of work still needs to be done in order to strengthen our capacity in this regard.

Honourable Members, Ladies and Gentlemen: In July last year, we brought together thirteen professionals to form a Business Process Re-engineering (BPR) Committee. They have a variety of experience and a range of skills in fields that include law, finance, policy, organisational design, ICT and human resource management. Their mandate is to investigate challenges in all their respective professional fields. From its inception, the BPR Committee has been working closely with the Management Team of the Department implementing strategic changes where they are required. On the basis of the challenges and solutions that have been identified, I will highlight a few of these interventions.

Very significant progress has already been made in re-engineering the financial management systems, addressing the issues raised by the Auditor-General. Their mandate is to deal with the following: human resources, information technology, governance, out-sourcing arrangements, review of mandate of strategy, policy and legislative review, institutional realignment, asset and infrastructure re-evaluation and audit preparations.

We are well on our way to achieve a clean audit in 2014 and in pursuit of the 2014 clean audit target, remedial action plans were compiled together with management whereby the Auditor-General's findings were critically analysed to determine and address the *root causes*. Registered progress, with implementation of Remedial Action Plans are being monitored on a monthly basis.

Other interventions include; procurement, governance, and capacity enhancement to ensure that we meet the growing demands of my Department.

In the previous financial year, my Department spent 91% of its allocated R 9.028 billion budget. The current budget allocation is R 8.8 billion, of which R 2.5 billion is earmarked for the Regional Bulk Infrastructure Programme; and R 2.2 billion is earmarked for water resources infrastructure development and rehabilitation projects.

Although the overall spending was low, the expenditure per programme reflected positively in the core areas of the Department's mandate. The Water Infrastructure Management programme spent 100% of its R 2.385 billion allocation, as did the RBIG programme with its R1.8 billion allocation. This will ensure a reliable supply of bulk water.

However, in areas of weak performance, we are improving financial spending and financial management in the Department.

WATER ALLOCATION REFORM PROGRAMME

We are also pleased with the sterling work that we are doing regarding the thorny issue of water use authorisations. In addressing the backlog, just during the past financial year we have finalised **1 049 applications** by means of our backlog eradication project. We are confident that strategic industries will no longer be held back on the basis of non-completion of their license applications. Currently the Department prioritises the applications from historically disadvantaged individuals and is finalising the compulsory licensing projects in pilot areas (Tosca, Jan Dissel and Umhlathuze).

We are looking at an integrated authorisation process together with the Department of Environmental Affairs that will cover water use licences, environmental impact assessment authorisations and waste licences with a view to later integrating further permits to streamline the regulatory processes.

WATER SECURITY AND SECURITY OF SUPPLY

As the custodian of the water resources, the Department has to ensure water security for the citizens of this country.

We have to ensure that water is placed at the heart of all planning decisions taking place in the country; and ensure that any decisions taken that rely on the steady supply of water, both in quantitative and qualitative terms, adequately factor in water availability.

We are currently increasing the exploitation of our groundwater resources, intensifying projects on water recycling as well as desalination of water particularly in our coastal areas.

Strengthening Institutional Capacity

I now wish to turn to the very important issue of skills in the water sector. While there is an enormous challenge in this regard, especially with regard to the scarcity and misalignment of artisans, engineering and technical skills, my Department is making sure that the gap is reduced significantly in this regard.

I am pleased to announce that we have partnered with the Department of Public Works to tap into their database of retired engineers. As I speak, four of these retired engineers are current mentors and coaches for the young and prospective engineers in my Department. Additionally, our graduate recruitment programme has since its inception also played its part and recruited a total of 240 graduate trainees; 35 of whom have been placed as candidates in various engineering positions.

Promoting Water Conservation and Demand Management

While we recognise the need to expand our national infrastructure I must stress that Water Conservation and Water Demand Management has been identified as a most critical step that has to be implemented to give effect to our reconciliation strategies.

Therefore all users and all sectors, including Local Government, have to implement these necessary measures. While the funds have been allocated for this activity and there are some good examples of success where the Department is supporting municipalities with a target of 10 municipalities this year and a targeted savings of 720 million cubic meters of water, we are engaging local government to also allocate additional resources for this activity.

We have been working with several municipalities on water conservation programmes in order to minimise water losses which programmes the DM will elaborate on. We are currently also working closely with the Agriculture, Industry and the Mining Sectors to set water use efficiency targets for their sub-sectors

Nurturing attitudinal and behavioural changes towards the value of water

The Department is very mindful of negative water use behaviour which impacts on the resource both quantitatively and qualitatively. We are currently exploring a potential mix of mechanisms to change this behaviour, which include regulatory frameworks, market-based instruments, self-regulation, water awareness and education, and it will match appropriate mechanisms to mitigate offending behaviour.

WORKING TOGETHER IN COLLABORATION OTHER STAKEHOLDERS

One of the issues that is very clear to me is that the challenges in the water sector are such that if we do not work together, across the sector, both public and private, we will not achieve our goals. The following three possible areas of collaboration must be highlighted.

Private sector partnerships

We have entered into a partnership arrangement with the World Economic Forum (WEF) and have established a SA Strategic Water Partners Network, focussing on water efficiency, supply chain with a focus on agriculture and water quality.

Firstly we have to bring in the private sector as a partner in the planning, management and implementation processes. There is much that the private sector can contribute to our water delivery agenda, whether it is the financing of infrastructure, the design and construction of infrastructure, or supporting the improved management of sustainable service delivery.

During this financial year, we will investigate how best to structure the economic regulation not only of the delivery of water services, but water resources as well. The correct pricing of water is an important element, recognizing the real cost of delivering water in a water scarce country, during this year we will also be revising the raw water pricing strategy, and I assure you that we will consult broadly with all stakeholders.

Partnerships with other water sector entities

We have conducted a review of the institutional arrangements in the water sector, to see how the public institutions are best configured to deliver on our mandate. As a result, I have decided that we will forge ahead with the establishment of the 9 Catchment Management Agencies (CMA's) as opposed to 19. I am also investigating the restructuring of Water Boards to ensure that they are able to fund and develop the necessary bulk water services infrastructure, and also to support municipalities, particularly those that require immediate intervention. Part of this entail that the expanded footprints of the restructured Water Boards enable the cross-subsidisation of, and service delivery in poor rural areas in particular.

Our department has reviewed the status of asset management within the water trading entity to ensure not only compliance with the Government Infrastructure Asset Management Act but to identify critical areas in respect of which improved management will enhance the efficiency, reliability and sustainability of the infrastructure.

Partnerships with other public sector

In support of our New Growth Path and IPAP 2, in partnership with the sector partners, and the Department of Science and Technology, we are developing a robust water research strategy in order to find new technological solutions for the water sector to improve our production capabilities. These will address the current research challenges and gaps including technology needs, that will contribute to a cleaner technology approach.

SUPPORT TO LOCAL GOVERNMENT

Honourable Chairperson, Ladies and Gentlemen, one of the greatest challenges we face in the water sector is the delivery of water services and sanitation by municipalities to all our people. It is for this reason that the Department is strategically positioning itself to ensure that the whole value chain, from "Source-to-Tap and Waste-to-source" functions effectively. The key principle guiding this approach is that we are one government, and the success or failure of municipalities is the success or failure of this government. We have to be on the ground and get our hands dirty for optimum service delivery.

We are pleased to announce that for the current financial year, the regional bulk programme has been allocated R2.597 billion, an increase that illustrates both the infrastructure need as well as the ability and capacity of my Department and our entities to spend and deliver on these projects. In the previous financial year 173 625 people benefited from completed projects and in this current year, we expect about 550 000 people to benefit as this will go a long way in addressing the 2014 water targets. Furthermore, skills development will continue to be an integral part of the programme, focusing on training of plant operators to ensure efficient operation and maintenance of the infrastructure when it is completed.

Ladies and Gentlemen, while we have surpassed our MDGs in water and sanitation, we are continuously working hard to provide good quality water. We are concerned about the decaying state of the current water and sanitation infrastructure in certain areas which is proving to be a threat to the gains we have made since 1994.

The dysfunctional infrastructure, if left unattended, will lead to the creation of new backlogs. In response to this challenge, we are implementing a National Transfers Programme which is meant to refurbish, provide funds for the operation and maintenance to support municipalities in administering and managing our transferred water and wastewater services schemes. Under this programme, R542.4 million was transferred in the previous financial year. A total of R714million has been made available in the current financial year of which R 370 million will be for refurbishment, R 147 million for operations and maintenance and R187 million for human resources (i.e. the staff transferred to municipalities).

As a caring government, we cannot ignore the plea of communities who are faced with unreliable water services provision. Nor can we ignore those communities in rural areas who do not have any form of infrastructure at all, and in some cases, still share water sources with their animals. To these communities, often suffering in silence, democracy and freedom have no meaning. We will implement innovative ways of serving these communities through the provision of interim infrastructure which may be below our current RDP standards.

We are sourcing technical support in the private sector. Cuba has also expressed willingness to make these specialists available to our country. The Memorandum of Understanding between South Africa and Cuba in the field of water resources is at final legal stages and is ready for signing.

We will extend the Accelerated Community Infrastructure Programme (ACIP) as part of funding these intervention. Amongst others, this innovative approach we will use the MIG, our RBIG and other sources to fund this innovation. An amount of R221million was allocated in the previous financial year and a further R 225 million is allocated for the current financial year.

Through this ACIP 69 wastewater treatment plant refurbishment projects have been implemented in the previous financial year demonstrating that small capital injection can have a major impact in bringing a plant back to working order and to serve communities to the same standards as that of a new plant four to ten times the cost.

To enhance operations at municipal level and to prevent reoccurrence of services failures, we have developed a specialised unit called the Rapid Response Unit. This unit comprises a team of water experts ready and available to be deployed to any municipality to support and intervene when there is a crisis. Given the success of the rapid response approach, the Department has decided to decentralize this Unit to each of our 9 provincial offices. We increased our efforts to assist all municipalities with poor blue drop and green drop results particularly those with scores below 30%, resulting in improved results.

Ladies and Gentlemen, our 4th Blue Drop Certification audit cycle was just completed and we are still on the incline of improvement with regards to our drinking water quality management. The department assessed 931 water supply systems and we can announce that 98 systems qualified for a blue drop. – an improvement from the 66 certified systems of the previous cycle.

The National Blue Drop Water Quality Assessment report which was released on 7 May 2012 indicates good performance by various municipalities and Water Board performances but also makes our challenges very clear.

The number of systems where water safety planning is underway has increased from 154 last year to 579 this year. 269 of these risk management processes compare well with the expectations of the World Health Organization. Water safety planning is a means of ensuring that municipalities are geared for all risks posed to drinking water quality and to ensure that protocols are in place for operations and to deal with any incident that could be a threat to public health.

We once again wish to applaud those municipal and water board officials who are so dedicated to the cause, and who responded warmly to the clarion call of the Blue Drop Programme to adhere to the stringent criteria set.

My Department has commenced to support those municipalities where water is not safe to drink through the deployment of our rapid response unit teams which are already in action in the Koukamma and Ikwezi municipalities.

Honourable Chair, the Department was honoured to receive international recognition in terms of Environmental Engineering Excellence for the Blue Drop and Green Drop Certification programmes from the American Academy for Environmental Engineers. This Academy is affiliated to the International Water Association. The award gave us the confirmation that our striving towards excellence is not only known domestically but internationally as well.

2012 – A YEAR OF INFRASTRUCTURE DEVELOPMENT- FOR GROWTH AND DEVELOPMENT

The Infrastructure Plan announced by Honourable President Zuma sets out a number of Strategic Integrated Projects (SIPs). Water infrastructure is critical for the SIPs and furthermore to develop industrial sectors as identified in the New Growth Path for South Africa.

The following are just but some of the strategic intergrated projects that our department will be supporting.

The area around Lephalale in the Waterberg District is richly endowed with coal reserves which provides opportunities for coal power stations to provide National security for electricity supply, such as the existing Matimba and the Medupi power stations which are currently under construction.

I am pleased to report that construction has commenced of the first phase of the Mokolo and Crocodile River (West) Water Augmentation (MCWAP-1) at an estimated capital cost of R2.1 billion, in order to provide part of the water required for these developments. A further augmentation is planned as a scheme to transfer surplus return flows available from the Crocodile River (West) to the Lephalale environs at a

cost provisionally estimated at R10.5 billion (MCWAP-2). Optimisation of the transfer scheme is subject to further investigation.

DE HOOP Dam

The construction of the De Hoop Dam and its associated distribution systems to deliver water for domestic and mining use in the Greater Sekhukhune, Waterberg and Capricorn district municipalities remains a focus. Over the past three years government invested approximately R2.7 billion towards its construction and R374 million will be spent in the current financial year. Impoundment of water in the De Hoop Dam is starting in August.

A total of 2, 3 million people in the domestic sector will benefit from this project. It is with pleasure that I announce that our internal construction unit has set a new South African record by placing 139 000 cubic metres of roller-compacted concrete (RCC) in one month during November 2011.

The construction of this bulk water distribution system which will convey water from the dam to the neighbouring municipalities has started. The first two phases of the project are expected to be completed in 2014. The first phase at a cost of R1,2 billion over the medium term, this includes the Nebo, Mooihoek and Sekhukhune bulk water supply projects as part of the Regional Bulk Infrastructure Programme. Further contracts will follow to integrate the Steelpoort and Olifants River Systems. Water supply to domestic and industrial users in the Mokopane area will also be prioritised.

With regards to the South Eastern Node and Corridor Development, we have started with the initiatives coordinated by the (Presidential Infrastructure Coordinating Council (PICC) including the proposed hydro-electrical power schemes projects in the Eastern Cape and KwaZulu Natal. The water infrastructure will be used to provide water for energy, primary and agricultural water users, to name a few. These projects include various proposed dams and related water and energy infrastructure in the tributaries of the Mzimvubu River in the Eastern Cape and the Tugela River in KwaZulu Natal.

Mooi-Mgeni Transfer Scheme

The Mooi-Mgeni Transfer Scheme which entails the construction of the 42m high Spring Grove Dam with a storage capacity of 142 million m³ and a water transfer system as well as the associated infrastructure. The project will augment the current yield of the Mgeni System by 60 million m³ per annum.. Funding for developing this project was raised off-budget from the markets by TCTA. Water from the scheme will benefit six municipalities - the eThekweni Metro, the uMgungundlovu, the Msunduzi, Ugu District, Sisonke and Ilembe Municipalities. The water from this scheme will be available from April 2013.

Hazelmere Dam

Following the recent water shortages experienced by consumers from the Hazelmere Dam, I am pleased to announce that my department is addressing this problem through the raising of Hazelmere Dam. This project is aimed at increasing the water supply by an additional 10 million cubic metres per annum. The areas to that will benefit from this increased water supply, include Ballito and Mandeni. This project will also support development in the housing sector, the King Shaka Airport and the Dube Trade Port. The projected budget is R360 million and is scheduled for completion by September 2014.

UMzimvubu Dam

As announced by the President earlier this year, my department will play a pivotal role in concluding the feasibility studies preparing for the construction of the multi-purpose Umzimvubu dam. The dam will be used for both irrigation and hydro power energy generation which boost the economy of Eastern Cape. The preliminary cost estimates for the project is R 20 billion.

Zalu Dam (Lusikisiki)

The existing Lusikisiki Regional Water Supply Scheme (LRWSS) serves the town of Lusikisiki and 23 rural villages. Investigations have indicated that the present water supply source, from a weir on the Xura River, is inadequate to supply the growth requirements. The project comprises the construction of a new dam on the Xura River (the Zalu Dam), the development of groundwater and the upgrade and expansion of the regional bulk water system to augment the existing supply area and expand the scheme to supply a further 56 villages. The estimated cost for the dam is R320 million.

Foxwood Dam (Adelaide)

The proposed Foxwood Dam site lies on the Koonap River, running through the town of Adelaide, and will supply the town through a bulk distribution pipeline to the existing off channel storage dam. While a number of possible schemes were identified based on the development of various combinations of dams along the river, the most cost-effective scheme is a dam at the Foxwood site close to Adelaide. The detailed feasibility planning is underway and in terms of our current programme, the project could deliver water by 2018. The current estimate for the project is R200 million.

Nelson Mandela Bay Municipality: Nooitgedagt Scheme

The Department is presently supporting the Nelson Mandela Bay to mitigate the effects of droughts that are occurring in the Nelson Mandela Bay Metro area with increasing frequency. R450million has been provided for the construction of the Nooitgedagt Scheme. Water will be provided from the Gariep Dam, through the Orange-Fish-Sundays transfer scheme. Construction of the pipeline commenced in April 2011 and is scheduled for completion by September 2012.

Furthermore through the RBIG programme we are implementing the Mhlabatshane, Greater Eston, Lower Eston, OR Tambo/Mthatha, and Xonxa bulk water supply projects to the value of R1.1 billion during the MTEF.

As far as Unlocking the economic opportunities of the North West Province is concerned, Taung, including the surrounding villages in the Greater Taung and Naledi Local Municipalities, are experiencing water supply shortages, hence we have commenced with the implementation to augment the bulk water supply mostly for domestic water usage. The Taung dam is being used to address the bulk water supply and a total of approximately 186 000 households will be served with water. The project started during the 2009/10 financial year and several phases have already been completed. The budget allocation over the MTEF period is R358 million.

The Greater Mamusa project will focus on the upgrading of the bulk water supply to the Greater Mamusa area including Schweitzer Reyneke, Amalia, Gludina and Migdol. This project consists of the development of ground water sources, supplemented by surface water abstracted from the Bloemhof Dam. Construction will start during this financial year using my Department's Construction Unit. A budget of R135million has been allocated over the MTEF period.

Still in the North West in Madibeng, there is a high demand for additional water to serve the numerous new developments that are currently being planned. These developments include green fields sites as well as the densification of existing developed areas. The Madibeng project, to upgrade the water treatment works is now in design phase and construction will start during the current financial year. A budget of R75 million has been allocated over the MTEF period.

With regards to Integrated Municipal Infrastructure Project

In addressing water supply and sanitation backlog and sustainability of water supply, I am pleased to announce that for the current financial year, the RBIG programme will continue to construct 55 bulk water supply projects and 12 wastewater bulk infrastructure. These projects will address the water supply needs of communities in 39 district municipalities.

One of the highlights for this financial year will be the completion of the Dwarsloop-Acornhoek steel pipeline for the provision of water supply to nine rural communities with a total estimated population of 265 000 in the Bushbuckridge Local Municipality by December 2012. Each community is being connected as the pipeline completion progresses with two communities already connected and receiving water. The total projected cost is R130 million.

In addition, the Nandoni Bulk Distributed System, including steel pipelines, is being constructed and is expected to be completed by 2013 at an estimated cost of R750 million.

You will remember that I reported about the GRP pipe failure. The two projects mentioned above will address the completion of the bulk distribution systems.

In Agri-logistics and rural Infrastructure, we are making progress with the raising of Clanwilliam Dam in the Western Cape. The dam's design is underway and the construction of the dam will start in 2013. This will include raising the dam by 13 metres will increase the water supply by 69.5 million m³ per annum. Rural areas including ClanWilliam, Vredendal and Klawer will benefit from the increased supply. The total budget for this project is estimated at R1.830 billion.

Ladies and Gentlemen, my department is working on a large project in Limpopo, the Great Letaba River Water Augmentation Project,. These includes the raising of Tzaneen Dam and the construction of the N'wamitwa dam and associated works. The Mopani District Municipality will be the beneficiary of this project. Phase One has already commenced and we have prioritised the urgent upgrading of the existing infrastructure, which will supply much needed water to domestic users. The total estimated cost for all the phases will amount to R2.1 billion.

Another contribution to the SIP's includes Regional Integration for African Co-operation and Development. On 11 August 2011, I signed an agreement with my counterpart in Lesotho on the implementation of Phase 2 of the Lesotho Highlands Water project. This project comprises the construction of the Polihali Dam and a transfer tunnel to the Katse Dam. Phase 2 will increase the supply of water to the Vaal River system, which will increase the already stretched water resources. The Agreement allows for Lesotho to construct a hydropower generation system. This project is one of the flagships of economic integration which positions water at the core of regional development. I have directed the Trans Caledon Tunnel Authority (TCTA) through the Lesotho Highlands Water Commission to drive the implementation of this project. Water delivery is expected by 2020.

Dam Safety Rehabilitation Project

The department has also set aside approximately R370 million to address dam safety rehabilitation which is a program that deals with rehabilitation of departmental infrastructure spread all over the country.

JOBS AND JOB OPPORTUNITIES

All our programmes put together, have created 4588 jobs including youth and women and a further 4 800 will be created during 2012/13 financial year. These jobs will be created mainly through the regional bulk infrastructure programme, the water resources augmentation programme and our rehabilitation and refurbishment programmes.

NATIONAL WATER INFRASTRUCTURE FRAMEWORK

Investment in water infrastructure remains a critical element if this country is to attain its developmental goals. To address this, our Department is developing a National Water

Investment Framework (NWIF) and strategy which addresses the total value and sector chain. First results indicate that at least R573 billion, of which R 162 billion for water resources and R394b for water services, will be required over the next 10 years. At this point in time only 42% of the need has been secured from various sources.

At least 25 % of this is required for refurbishment. It thus implies an urgent increase in financing, which will again require new and innovative funding mechanisms.

ACID MINE DRAINAGE

I now wish to turn to the interdepartmental project dealing with Acid Mine Drainage in the Witwatersrand, which is a potentially serious pollution threat to groundwater and surface water resources and if not adequately managed. As much as 200 million litres of AMD per day may pollute surface and groundwater resources in the area and place severe risks on the security of water supply from the Vaal River System. This is a collaborative project between my Departments of Water and Environmental Affairs together with Mineral Resources, Council for GeoScience, the CSIR and the Water Research Commission. Affected municipalities and provincial departments are also participating.

I am pleased to announce that my Department has implemented the short term solution for the Western Basin and has already commissioned a feasibility study in December of last year for a long-term solution for the entire Witwatersrand. This will clearly need a lot of money and we need to be creative in how we approach the funding requirements in this regard.

I have recently, in partnership with the Department of Mineral Resources, instructed my Department to explore the possibility of testing potential solutions in the open market to deal with AMD but without compromising prescribed government procurement processes.

Honourable Members, our zero tolerance on water transgressions is at an all time high. We have issued a total of 40 Non compliance letters, 161 pre-directives and 33 directives. Fifteen (15) of these directives have been resolved positively. A total of 88 were audited to ensure compliance with water use authorizations, 6 mining operations were stopped in terms contravening the National Water Act and 5 were criminally charged.

Our vigilance with water compliance effort has revealed unlawful water use from the Vaal River system which resulted in drastic reduction in unlawful activities and loss of revenue to the Department. The physical volume that was stopped amounts to 16.6 million cubic meters per annum. If these unlawful users were not stopped, it would mean the pressure on the Vaal System would be such that water would have to be imported from Lesotho, the estimate cost for such an exercise translating to **R 66.4 million per annum.**

Over the next financial years, we will continue to undertake measures aimed at clamping down unlawful activities in our water systems across the country. This will be done after an intensive Verification and Validation process.

SOUTH AFRICA, AFRICA AND THE WORLD

Honourable Members, our country remains a significant global citizen and therefore an active participant in the developments for the upliftment of the human condition. In our own Continent, in addition to the many responsibilities we carry on behalf of the African Union, we had the privilege of custodianship of the African Ministers Council on Water for three years.

As you are aware, we have handed over this baton to Egypt during the fourth Africa Water Week a few days ago. During this period, we are proud to report that we successfully led a process of developing an AMCOW work plan supplemented by the gender strategy on water and sanitation. We have also assisted AMCOW to strengthen its governance model by introducing financial regulations. We will continue to support the leadership of AMCOW in the implementation of the work plan and other critical projects to realize the objectives of the organization.

After the successful COP17 in SA, AMCOW led the Africa process at the 6th World Water Forum (WWF) to emphasize the importance of financing climate change adaptation and mitigation strategies in Africa.

Honourable Members, in my budget speech last year, we committed to expand relations with our immediate neighbouring countries that we share water resources with, and of course strengthen the existing bilateral and multilateral relations in Africa and the rest of the world.

I am also pleased to announce that we have reached a consensus on the need to establish a river basin organization (RBO) for the Inkomati-Maputo River Basin, whose mandate will be to improve the management of the transboundary' water resources between South Africa, Mozambique and Swaziland.

I am excited to announce that South Africa has established a new Joint Water Commission with our neighbour Zimbabwe, in the Limpopo River. This relationship is expected to go a long way in maximizing utilization of natural water resources for mutual benefit. And we further continue to implement projects and programmes in some of the Post' Conflict Resolution Development (PCRD) countries like Rwanda and DRC as per the MOU agreements we have with these countries.

Sustainable water management and biodiversity have been identified as possible outcomes from Rio+ 20 which is taking place in 20 – 22 June in Rio de Janeiro. We support this initiative.

In conclusion, let me commit to Matsheko, and to all South Africans who are looking to my department for water, we understand the challenges, we understand clearly what

the priorities are, and we commit to using our budget, our human resources, and our skills to meet the water needs of the people of our country.

I thank you.