



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

BUDGET VOTE SPEECH FOR THE DEPARTMENTS OF WATER AND ENVIRONMENTAL AFFAIRS BY THE MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS, MINISTER B E E MOLEWA ON 6 JUNE 2012, IN THE NATIONAL COUNCIL OF PROVINCES

Honourable Chairperson of the NCOP;

Honourable Chairperson of the Select Committee;

Honourable Members of the NCOP;

Distinguished guests;

Ladies and gentlemen

Introduction

It is a great honour and privilege to present to this House the policy priorities and budget for the Departments of Water and Environmental Affairs for the financial year 2012/13 for your consideration.

Before I outline these plans let me recognise and salute the youth of this country – who fought for our freedom from apartheid and who continue that

struggle under the changed terrain of democracy. June is both Youth Month and Environment Month and through our interventions as illustrated by our celebration of the World Environment Day in Mangaung yesterday, we will roll-up our sleeves by launching the first phase of the countrywide green hubs with various satellite and regional operations later this month.

COP 17 and Climate Change

Honourable Members, last year we hosted and participated in the 17th session of the Conference of the Parties to the UN Framework Convention on Climate Change and the 7th Meeting of Parties to the Kyoto Protocol in Durban. We engaged widely with various provinces in the run up to this Climate Change Conference and the final outcome was historic and precedent-setting. We are now looking forward to the implementation of the National Climate Change Response Policy, which we finalised prior to the COP17.

Sustainable development and the road to Rio

We are looking forward to the RIO plus 20 negotiations in Brazil this month, which also marks the tenth anniversary of the World Summit on Sustainable Development which we hosted as South Africa. Here, we will be armed with, among others, the National Strategy on Sustainable Development (NSSD), which sets out the country's sustainable development priorities and actions over the next five years.

The Green Economy and Jobs

We want to transform our industries towards the building of a green economy and create new labour absorbing industries that will mitigate impacts on the environment. We will place about 800 unemployed school-leavers and graduates in biodiversity jobs for an incubation period of two and a half years through the South African National Biodiversity Institute – SANBI. We will also tap into the R800 million for the Green Fund announced by the National Treasury over the next 2 financial years. This will be supported by various other programmes that we are rolling out such as the National Waste Management Strategy, the Environmental programmes linked to the Expanded Public Works Programme and the “Working for” programmes.

These programmes have proved to be very significant over the past years. The CSIR values the water saved through the clearing of invasive alien plants through our Working for Water programme to be R400 billion. Forestry South Africa suggests that the R3.6 billion damage to the Forestry Industry through major fires in August 2008 could have doubled had it not been for the Working on Fire partnership. Last year, these programmes created 26 700 new work opportunities – amounting to 11 676 full-time and 26 891 accredited training person days.

The Working for Water and Working on Fire programmes will therefore be increased by R1.1 billion, thus bringing the allocation to these programmes to R7.7 billion over the MTEF. This will provide 205 877 work opportunities and 102 603 full-time equivalent jobs over this period. We also aim to create 62 860 work opportunities this financial year, 31 277 full-time jobs,

and 600 youth benefiting from the National Youth Service in addition to 40% of the work being done by youth. We want 55% of beneficiaries from our programmes to be women and 2% to be people with disabilities.

Environmental Impact Assessments

As a developing state, we must ensure a balance between economic growth, social development and environmental sustainability. By the end of this year, Minister of Mineral Resources, Mme Susan Shabangu and I will launch the National Mining and Biodiversity Guideline in partnership with industry to guide the mining sector on integrating biodiversity considerations into the planning processes and managing biodiversity during the operational phases of a mine. We are also in the process of developing a National Environmental Impact Assessment and Management Strategy to address key concerns and constraints within the current environmental impact management system. The Department is also developing standards for the environmental impact assessment listed activities to replace the requirement contained in the 2010 EIA Regulations for environmental authorisation prior to the construction or expansion of applicable facilities.

Management of Biodiversity

We are strengthening the management of our biodiversity through the newly launched National Biodiversity Assessment Report, which covers

biodiversity and ecosystems across terrestrial, freshwater, estuarine and marine environments. I also want to assure you that we view the illegal killing of our rhino in a very serious light and will continue to prioritise our fight against it with our security cluster departments. We will continue to implement the various initiatives highlighted since last year with additional ones we announced a few weeks ago, while continuing to put in place added measures to address this matter. The most affected areas remain the Kruger National Park, North West, Limpopo and KwaZulu-Natal.

Water

On water, we have since increased the 1994 figure of 59% access to clean and safe drinking water to 94.7% – an increase of 35.7%, leaving the backlog at 5.3%, or some 710 000 households compared to 3,9 million households in 1994. However, there are still many rural areas and informal settlements without water and areas where post-1994 infrastructural deficiencies are still characterised by taps that run dry due to poor maintenance or operational problems. For this reason, we are embarking on a process to ensure that all communities drink purified water within the next 3 to 4 years. Our biggest challenge will, however, remain the inadequate maintenance of infrastructure, especially at municipal level.

Water Allocation Reform Programme

In addressing water use authorisations backlog, we finalised 1 049 last year and strategic industries have benefitted from this achievement. We currently prioritise the applications from the historically disadvantaged and

we are finalising the compulsory licensing projects in pilot areas of Tosca, Jan Dissel and Umhlathuze. We are also looking at an integrated authorisation process by DEA and DWA departments to cover water use licences, environmental impact assessment authorisations and waste licences with a view to integrate further permits to streamline the regulatory processes.

In addition to this, 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

We are tapping on the Department of Public Works' database of retired engineers to increase capacity in my Department and we have added 240 graduate trainees through our academy.

Promoting Water Conservation and Demand Management

We have allocated funds for Water Demand Management and this year we will support 10 municipalities to save 720 million cubic meters of water, but we want local government to also allocate additional resources for this activity. The Deputy Minister will elaborate on this but I must mention that we are also working closely with the Agriculture, Industry and the Mining Sectors to set water use efficiency targets for their sub-sectors.

Partnerships with other water sector entities

A review of the institutional arrangements in the water sector has prompted me to forge ahead with the reduction of the 19 Catchment Management Agencies (CMA's) to 9. 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 support municipalities, particularly those that require immediate intervention.

The status of asset management within the water trading entity has been reviewed to ensure compliance with the Government Infrastructure Asset Management Act.

Support to Local Government

Honourable Chairperson, we want to ensure the delivery of water services and sanitation by municipalities to all our people. Therefore, the Department is strategically positioning itself to ensure that the whole value chain, from "Source-to-Tap and Waste-to-source" functions effectively. For the current financial year, the regional bulk programme has been allocated R2.597 billion. Last year, 173 625 people benefited in jobs from completed projects and this year, we expect about 550 000 to benefit from the projects. Skills development will continue to be part of the programme, focusing on training of plant operators to ensure efficient operation and maintenance of the infrastructure. We will also provide funds to municipalities to administer and manage our transferred water and wastewater services schemes. Last year, we transferred R542.4 million for

this purpose and we have allocated R714 million for this year of which R370 million will be for refurbishment, R147 million for operations and maintenance and R187 million for human resources.

Ladies and Gentlemen, our 4th Blue Drop Certification audit cycle shows that we continue to improve on our drinking water quality management. We assessed 931 water supply systems and 98 qualified for a blue drop, an increase from 66 in the last cycle. 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.

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

The Infrastructure Plan announced by President Zuma and its Integrated Projects (SIPs) require more investment in water infrastructure. Therefore, we are developing a National Water Investment Framework (NWIF) and Strategy, the first results of which indicate that at least R573 billion will be required over the next 10 years. Approximately 42% of this is funded.

In the **Eastern Cape**, we will conclude the final planning work for the construction of the R20 billion Umzimvubu Dam project which will be used a multi-purpose dam, including irrigation and hydropower. Currently, the Lusikisiki Regional Water Supply Scheme serves the town of Lusikisiki and

23 rural villages. Because the Xura River is inadequate to supply the growth requirements, the Zalu Dam will be built on the Xura River at an estimated cost of R320 million and the project will include 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. We are also planning for the new Foxwood Dam on the Koonap River, near Adelaide, at a cost of about R200 million to deliver water by 2018. R450 million has been provided for the construction of the Nooitgedagt.

In the **Free State**, we are investing R38,5 million under the Accelerated Community Infrastructure Programme during this financial year to benefit eight municipalities in the refurbishment of eight sewage treatment plants and three water treatment plants. R10 million will be spend on a water conservation and water demand management investigation within the Mangaung Metro area. We have also approved R193,6 million under RBIG for various projects in ten municipalities. A further R7, 2 million has been set aside to make projects implementable in five more municipalities.

Gauteng will benefit from the implementation of Phase 2 of the Lesotho Highlands Water project. This project positions water at the core of regional development. On the Acid Mine Drainage in the Witwatersrand, we have implemented the short-term solution for the Western Basin and commissioned a feasibility study for a long-term solution for the entire Witwatersrand. We are sure that we will overcome the problem.

In KwaZulu-Natal the construction of the Mooi-Mgeni Transfer Scheme is ongoing to augment the current yield of the Mgeni System by 60 million m³ per annum. Its water will benefit six municipalities - the eThekweni Metro, uMgungundlovu, Msunduzi, Ugu District, Sisonke and Ilembe Municipalities from April 2013. We are also raising the Hazelmere Dam at a tune of R360 million to increase the water supply by an additional 10 million cubic metres per annum in areas such as Ballito and Mandeni. The project will also support development in the housing sector, the King Shaka Airport and the Dube Trade Port by September 2014.

In Limpopo we have commenced with the R2.1 billion first phase of the Mokolo and Crocodile River (West) Water Augmentation (MCWAP-1) to provide part of the water required for the developments in the Waterberg District, in particular, Lephalale, Matimba and the Medupi power stations as well as the future mines in the area. A further augmentation scheme is planned to transfer surplus return flows from the Crocodile River (West) to the Lephalale environs at a cost provisionally estimated at R10.5 billion (MCWAP-2). We also continue with 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. In the past three years, we invested about R2.7 billion towards its construction and a further R374 million will be spent this financial year. Impoundment of water in the De Hoop Dam is starting in latest November 2012 and 2, 3 million people in the domestic sector in Sekhukhune areas will benefit from this project. We also want to complete the R750 million Nandoni Bulk

Distribution System by early 2013, while the Mopani District Municipality stands to benefit from the R2.1 billion Great Letaba River Water Augmentation Project involving the Tzaneen and N'wamitwa dams and associated works which commenced this year.

In Mpumalanga we will complete the R130 million Dwarsloop-Acornhoek steel pipeline to provide water to nine rural communities. Two of these communities have already been connected.

In the **Northern Cape**, we have made good progress in ensuring water supply from the Orange River to a number of rural communities to augment their groundwater supply. We have completed the R85 million bulk water pipelines to Kenhardt and Riemvasmaak. At Heuningvlei, we are implementing a project estimated at R196 million. Together with the Sedibeng Water Board, we have a pipeline bypass project to supply water to Springbok, the main centre of Namakwaland, as an emergency project in anticipation of the R540 million rehabilitation project to be rolled out over the next four years.

In the North West the Taung Dam is being used to address the water needs of about 186 000 households in the Greater Taung and Naledi Local Municipalities. Construction will start during this financial year on the R135 million Greater Mamusa project to upgrade the bulk water supply to areas including Schweizer-Reyneke, Amalia, Glaudina and Migdol from ground

water sources and water from the Bloemhof Dam. Still in the North West, construction of the R75 million Madibeng project will start this financial year.

In the Western Cape we are making progress with preparation for the project for the raising of the Clanwilliam Dam. The dam's design is underway and its R1.830 billion construction will start in 2013. This will include raising the dam by 13 metres to increase the water supply by 69.5 million m³ per annum for rural areas such as Clanwilliam, Vredendal and Klawer.

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.

I thank you.