

**SPEECH BY THE MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS, MRS
BEE MOLEWA, ON THE OCCASION OF THE PRESENTATION OF BUDGET VOTE
NUMBER 37 ON BEHALF OF THE DEPARTMENT OF WATER AFFAIRS**

OLD ASSEMBLY CHAMBER, PARLIAMENT, CAPE TOWN

“Water is Life: Respect It, Conserve It, Enjoy It!”

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Honourable Speaker of the National Assembly

Honourable Chairperson of the Portfolio Committee and Committee members

Honourable Members of Parliament

Cabinet Colleagues

Chairpersons and CEs of Water Boards and other Water Sector Entities

Honoured Guests

Ladies and Gentlemen

***PREPARING FOR THE THIRD DECADE OF DEMOCRATIC GOVERNANCE AND
TANGIBLE SERVICE DELIVERY***

Introduction

We have great pleasure in addressing Parliament and to report back on the mandate bestowed upon us by the people of South Africa. Our enduring mandate of water resources protection, delivering water to the people of our country and ensuring that South Africa is a water-secure country, not only forms the bedrock for the lives of our people but also the very survival of the country's economy.

As we approach the **third decade** of democratic governance, we reassure

all South Africans that we will spare no effort in realizing their dreams as well as the resolve of the democratic movement to build a “**better life for all**”.

Ladies and Gentlemen, the past two decades have been remarkable in responding to the needs and aspirations of our people at all levels. The strides we have made are huge and impactful but have not adequately addressed the issues of **equity and redistribution**. The opportunity is now on our doorstep as we approach the third decade of democratic governance, to do so with the resolute mentality that the next decade should be a decade of **equity and redistribution**.

While we are extremely proud of the achievements we have made, we remain cognizant of the challenges that lie ahead of us. We will continue to deal with these challenges along the entire water value chain, “from Source to Tap and back to Source”. One of the major issues which will be given particular focus during the next year is the fact that we have not adequately addressed **equity and redistribution** in terms of access to water for both human and productive needs. This **equity and redistribution** paradigm must drive every policy, strategy, planning and implementation decision we take within the water value chain.

Let me just for a moment reflect on our progress made with regard to access to clean and safe drinking water. In 1994, only 59% of our people had access to clean and safe drinking water, nineteen years later, we have progressed to a national average of 95.2%. This is a truly remarkable increase of 88%. We are proud of this particular achievement and the

impact that it has had among very many other achievements. We have made progress and we commit to build on it towards the achievement of the stated mission of our movement, that of a “**better life for all**”.

Even as we celebrate these outstanding achievements, we are not naive and oblivious to the many challenges we face in the water sector. Our people continue to suffer from the grim reality of water scarcity especially in the far-flung areas of our country. The scourge of water shortages recently experienced in various provinces like North West and Mpumalanga are a sure sign that we need to redouble our efforts as government, working together to fix the water situation in our localities.

Another major challenge which requires our undivided attention, confirmed by the recent Census 2011 results, is the issue of functionality of municipal infrastructure and sustainable service delivery. Census 2011 identified that only 86% of our households have functional water supplies.

At least 9 to 10% of existing services are dysfunctional and a further 24% experience serious services challenges. This requires urgent intervention and also requires that we roll up our sleeves and work with local government and stakeholders to deal with this challenge once and for all.

The backlog now stands at a mere 4.8%, but we will not be complacent and not deal with the reality of those that are still left out of the system. The reality is that it is mainly the rural areas in Kwa-Zulu Natal, Limpopo and

Eastern Cape which are still without water. We have a huge responsibility to address this challenge.

It is my absolute pleasure to **announce** the commencement in July this year of the **Interim Water Supply Programme** to address these backlogs in the rural areas through immediate interventions in the 23 District Municipalities prioritized by Cabinet. This programme which will be funded through the Municipal Water Infrastructure Grant (MWIG) which includes the development and upgrading of local water sources starting in areas with no water supply, water loss management (“War on Leaks”), repairs including refurbishment, operations and maintenance.

A total Budget of R4.334 billion will be set aside for the programme over the MTEF period. Our Water Boards will also play a pivotal role in the implementation of the programme.

This programme is also going to require strong partnerships among ourselves as government, the private sector and non-governmental organizations. A great deal of work is already underway with partners such as the Strategic Water Partners Network SA, which hosted a successful dialogue during the World Economic Forum on Africa in Cape Town earlier this month. One of the strategic interventions that the network has committed to undertake is the development of a tool to support municipalities to take on the challenge to reduce water leakages in their systems. We have also identified a number of other cutting- edge projects aimed at closing the water gap in South Africa.

Honourable Speaker, we are also mindful of the issues around water

conservation and water demand management. While there are a number of programs across municipalities and sectors to deal with the issues of water conservation, reports such as the one by the Water Research Commission on the state of our non-revenue water are a cause for concern which we must deal with decisively. According to this report, we are losing about 36% of our clean drinking water in the distribution system due to leaking pipes, dripping taps and illegal water use. These are all behavioural patterns that have a negative impact on the use of water.

Again, in collaboration with the Strategic Water Partnership Network SA we are developing a strategy for an incentive-based system of water-use efficiency currently referred to as a “No Drop” scorecard, based on the success achieved with the Blue and Green Drop Incentive programs. As we approach the end of the second decade of freedom and entering as we do, the third **decade of equity and redistribution**, our government and people should be proud of the progress we have made in improving their life conditions and thus lifting them out of the poverty trap which is a terrible legacy of Apartheid. The third decade, of **equity and redistribution** should be used to consolidate our gains and make sure that the country moves forward with even more vigorous courage.

Matters identified for Turnaround and Business Process review

In my speech last year, I reported about a process we engaged in around organizational re-engineering bolstered by a team of experts from various technical and non-technical professions (Business Process Re-Engineering Committee).

I am glad to announce that we are beginning to see the results of this re-engineering. We have certainly improved our internal controls and are more geared up now to deliver the clean audit that we promised for the 2014 financial year. We are better configured now both in terms of organizational systems and managerial competence to deliver quality services in the water sector. Our vacancy rate has also now stabilized to remain at an acceptable 10% DPSA threshold. Financial controls have also been significantly improved, compliance has improved and we have established a new governance structure, the Financial Misconduct Committee, to deal with financial irregularities.

The expenditure pattern has improved significantly over the last financial year in comparison to the previous years. As at the close of the 2012/13 financial year, our expenditure stood at ninety-six percent (96%) compared to ninety-percent (90%) for the previous year, made possible through the enforcement of accountability towards improved financial management.

Building the Skills Base and the Capacity of the State to Deliver Quality Services

Ladies and Gentlemen, our ability to successfully deliver quality services will be dependent on our skills capacity, departmental competence and the strength of our institutions. Currently, the learning academy has a contingent of five hundred and thirty-six (536) active bursary holders of which four hundred and eighteen (418) have been absorbed into the Department's training programme and one hundred and eighteen (118) candidates are enrolled at various universities. Two hundred and seventy

(270) of them are in Engineering, two-hundred and forty-one (241) in the Sciences and twenty-five (25) in Surveying. Thus far we have appointed one hundred and sixty-six (166) graduates in permanent and/or candidate OSD engineering and science posts within the Department. Candidates graduating from our Learning Academy will also be able to supplement the skills required at municipal level.

Ladies and Gentlemen, another proud moment for the Learning Academy was being awarded the Best Training Programme in the Public Sector, Best Science and Technology Training Programme and Best Engineering Sector Training Programme at a Skills Summit sponsored by the CSIR, Achievers Magazine and BHP Billiton.

These awards honour and recognize companies, government departments and organizations who have demonstrated their commitment to the advancement of their employee's skills base by implementing skills development and training programmes that are relevant, innovative and effective.

The Head of our Learning Academy (Ms Verena Meyer) has also been selected to deliver a "best management practice" paper at the 7th Biannual International Water Association Efficient Conference which will be held in Paris later this year. The title of the paper is: "Scarce Skills Development for the Department of Water Affairs – the Learning Academy Model".

Ladies and gentlemen, we are making great progress in various ways in skills development, and one shining example is in the person of **Xolani Mdletshe**, joining us from the gallery, who is now a registered Professional

Engineer. Coming as he does from our own Learning Academy, Mdletshe has traversed a long and challenging road from university, through to being admitted professionally in the engineering field, he is the first ever candidate from the academy to be registered. We congratulate him and commit to producing more young engineers and artisans for the water sector and our economy as a whole.

We will continue to work with all our partners in the sector to ensure that we strengthen our efforts in building a skills base for the sector and collaborate with professional institutions and other research agencies to consolidate this type of work.

We are also very grateful for the contribution that the Water Research Commission (WRC), our research entity, is making to the skills base of our sector. Building a strong core of water scientists to address the water challenges of tomorrow is high on the Water Research Commission's agenda. During the 2012/13 financial year, four hundred and ninety four (494) students at Masters of Science (MSc) and Doctoral (PhD) levels were actively involved in WRC-funded projects.

Our skills improvement plan goes beyond our engineering and scientific fields only. We have another 84 Interns in various administrative posts. Recently we have advertised another 100 intern posts in human resources and finance. Whilst they are training they will assist in reducing audit queries.

Of these, 42% (207) were female – this is especially encouraging as most WRC-funded projects fall within the engineering or science categories of

research where the involvement of women is historically low. More than half of WRC-funded students are Previously Disadvantaged Individuals. Many earlier WRC students are now leading Commission funded research and serving as members of steering committees across the country.

Honourable Chairperson, focusing on the Department, I am pleased to report that within the management cadre of the Department we now have one hundred and thirty-nine (139) Senior Management Service members, of which 40% (56) are female and 83% (116) are black. We are well on our way to achieving the 50% target for females in our Senior Management. We are also currently finalizing the recruitment process for four (4) Deputy Directors-General.

Water Security and Security of Supply

This third decade of **equity and redistribution** must usher in a new era in which we nurture our own mandarins geared towards consolidating our gains and delivering tangible services to all our people.

Ladies and gentlemen, let me deal with the current myth regarding the mixed messages in the public space about us running out of water. You must have heard from one source or another how South Africa will “run out of water” in 2013, 2015, 2025 or 2030 depending on which news source you rely on.

Let me assure you as the custodian of water resources in this country that as we enter the third decade of **equity and redistribution**, South Africa will not run out of water in the next 100 years. This is not to say there are no

challenges regarding water resources availability. We are confident that because of our planning, future programmes in water management and the development and management of infrastructure are geared towards sustainability and a secured future in terms of security of supply.

I am saying this because our research institution, the WRC continues to lead national initiatives aimed at securing the future of the country's water assets, such as the Water Resources 2012 (WR2012) study, which will provide the blueprint on which all water resource management decisions will be made. This study will be completed in 2016 and will provide a national water resource assessment of all surface and groundwater in the country.

Water Policy, Legislative Review, Strategy and

Honourable Chairperson, last year in my budget speech, I announced that we needed to streamline our policy and legislation both with regard to water services and water resources management to meet the growing demands for water and thus achieve the goals of a developmental state.

In addition to this is the need to address issues of **equity and redistribution** in water allocation and other legacy implications which advantaged certain categories of people and sectors at the expense of the rest of the population. Our water allocation reform programme is geared towards the achievement of this objective and will be greatly served by a tightened policy and legislative environment as we envisage in this regard.

This review of our water policy will realistically identify what has and what

has not worked in the last two decades of our democratic government. We must do this so that we are able to take decisions on what needs to be refined and what needs strengthening in the policy.

We also aim to finalize the policy review process by July this year, which will also inform the process to amend the National Water Act and Water Services Act and may even lead to combination of these two acts with the aim of strengthening the capacity of the state to deliver on its mandate.

This re-assessment will deal with issues like removing obstacles for greater **equity** in water resource allocation, water governance such as the appointment process of the governing boards of water institutions, oversight over the institutions, improved management of our water resources and new concepts such water off-setting, revised mechanisms for dealing with appeals and disputes, among others.

Ladies and Gentlemen, we are reviewing the National Water Resource Strategy (NWRS) which in good measure responds to the very issues we have enunciated above. Following an intensive process of stakeholder consultation and public hearings, we have now consolidated the final inputs from all stakeholders and I intend to gazette the final NWRS-2 in June this year. During the review process we identified a number of gaps which will be taken forward in the policy review.

I would like to take this opportunity to thank all South Africans who took part in this critical process aimed at improving our water resources management, thus ensuring a sustained security of water supply for future generations.

I am also delighted to report that as I had indicated in the Budget Vote speech of 2012, we have reduced the number of Catchment Management Agencies (CMA's) from nineteen to nine. The process of consolidating the Breede-Overberg CMA to include the Gouritz catchments and the Inkomati CMA with the Usuthu catchments is progressing, with the Overberg and Gouritz already approved by me for gazetting.

Last year I also mentioned that we will be 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.

I have approved the proposals from this study to decrease the number of Water Boards from the existing twelve to nine. This realignment will deal with non-viable Water Boards which will be disestablished and their functions, assets and staff be integrated into the viable Water Boards.

Building Infrastructure to consolidate the gains of the last two decades and laying the foundation for an equity-based future.

Honourable Chairperson our budget has also significantly increased due to increased allocations for infrastructure development. The total allocation now stands at R10, 2 billion for 2013/14, R12, 4 billion for 2014/15 and R15, 5 billion for 2015/16.

The announcement of the Strategic Integrated Projects by the President in 2012 formed the foundation of an equity-based future that we envisage in the coming decade.

As you are aware, SIP 18 concerns both the delivery of water and

sanitation services to all South Africans. In collaboration with the departments of Human Settlements and Cooperative Governance, we are charged with the responsibility of integrating our work, through infrastructure development, for the eradication of backlogs and sustained delivery of quality services to the people of South Africa.

To facilitate effective and timely investment, I have initiated the development of a comprehensive investment framework which will inform budgeting and integrated planning based on a life-cycle approach, which includes planning and construction costs, operation and maintenance, financing costs and the costs of sustainable water management.

Capital investment in new water and sanitation infrastructure for the entire value chain including the refurbishment of existing infrastructure is projected to require an estimated R670 billion, over the next ten years, or an equivalent of R67 billion per year. Currently only 45% (R30 billion) per year is available from current sources. These investments will have to be funded from on-budget and off-budget sources through the private sector

The new decade should see the accentuation of our seamless model in infrastructure development to manage the water resource “from source to tap and back to source”. As we build and refurbish this infrastructure, we must do it in such a way that the systems connect and integrate not only at functional level but also in the manner in which they are geared towards the achievement of equity.

As such, our infrastructure build program seeks to address the challenge of lack of access and unequal distribution of water resources in some parts of

South Africa.

From a water infrastructure perspective therefore, all our programs: the Accelerated Community Infrastructure Program, the Regional Bulk Infrastructure program, the Interim Water Supply Programme (funded through MWIG) and all the large augmentation schemes, form a contingent development infrastructure drive which must be seen as a single initiative to achieve our development objectives based on the need for **equity and redistribution**. These infrastructure projects are constructed through a mix of Departmental construction and the use of Trans-Caledon Tunnel Authority (TCTA).

De Hoop Dam

The De Hoop Dam is in its final stage of completion. I am glad to announce that the storage of water has already started and the dam is currently at 16.85% full with approximately 58,55 million cubic meters of water stored.

The work on the first pipeline which connects Water treatment Works at Steelpoort from the De Hoop Dam has already started and is expected to be complete by September of next year. Certain areas in Jane Furse will already be supplied with water by July this year. The pipeline to Sekuruwe in the Waterberg and Pruisen in the Capricorn areas is also planned to start during this year.

These bulk water pipelines are the veins to get domestic water to the most needy communities and the mines in the area. Once complete, our government would have invested in excess of R4.5 billion on the project, and will benefit more than 2 million people in the Sekhukhune Capricorn

and Waterberg areas.

Komati Water System Augmentation Project (KSWAP):

I am also pleased to announce that we have successfully completed and inaugurated the Komati Water Augmentation Project providing an additional yield of 57 million cubic meters of water per annum. To improve the security of supply for Eskom's Duva and Matla power stations and for the new Kusile Power Plant currently under construction. This project was implemented far below its projected costs, resulting in efficiency saving of R500 million at its completion. We are also acutely aware of the water needs of the surrounding communities in the area and have taken a decision to ensure that about 10% of the yield of the scheme will be used for redistribution for communities in the supply area.

Mooi-uMngeni Transfer Scheme Phase-2

Honourable Chairperson we are making progress in the construction of the Spring Grove Dam which is planned to augment the current yield of the Mooi-uMngeni system by 60 million cubic meters thereby increasing the system yield to 394 million cubic meters per annum. The project will benefit the economic hub of KwaZulu Natal comprising six municipalities: (eThekweni Metropolitan Municipality, uMgungundlovu District Municipality, Msunduzi Local Municipality, Ugu District Municipality, Sisonke Local Municipality and iLembe District Municipality). The first water storage in the dam commenced in March of this year as promised in our last budget vote.

Lesotho Highlands Water Project Phase 2

Ladies and gentlemen, the Agreement for the development of the Lesotho Highlands Phase-2 project was ratified by South Africa in November 2012 and we accordingly notified the Government of Lesotho through the diplomatic channels. I am now delighted to advise that following the recent Joint Bilateral Commission for Cooperation (JBCC) meeting between South Africa and the Government of Lesotho, as well as the meeting which followed between our President and the Prime Minister of Lesotho, we received notification on Monday from the Government of Lesotho that we should proceed with implementation of the project in order to avoid any further delays. Our teams have been instructed to continue with implementation of the Polihali Dam and tunnel.

Mokolo and Crocodile River (West) Water Augmentation Project Phase

We are making good progress on the Mokolo and Crocodile River pipeline project, which will transfer water through a 46km pipeline and pump station from the Mokolo Dam to the Lephalale area mainly for use by Eskom for the new Medupi power station. Just a few days ago the first 6.6km of the pipeline was connected to the existing pipeline increasing water availability by 36%. The project is on schedule. Progress is also being made with the negotiation of the agreements for Phase 2 of the project and we expect to commence in the third quarter of 2013.

Hazelmere Dam

The contract for the raising of the Hazelmere dam will be awarded in the middle of 2013 with construction scheduled to commence around October.

The additional water that will become available from this project is aimed at ensuring water security to existing users as well as supporting the development of Human Settlements, the King Shaka Airport and the Dube Trade Port

Clanwilliam Dam:

Honourable Chairperson, the plans for the raising of the Clanwilliam dam are at an advanced stage. The construction of the N7 re-alignment will start in August 2013. The actual construction of the dam wall raising is planned to start April 2014. 75% of the increased capacity resulting from the raising of the dam will be set aside for resource poor farmers. This is just one of a number of initiatives to ensure **equity and redistribution**.

Mzimvubu Dam

Ladies and gentlemen, I am happy to report that the Department is proceeding with speed and urgency with the detailed planning of the Mzimvubu Water Project which entails the development of a multipurpose dam to supply new irrigation development, hydropower generation, domestic and industrial water requirements and SIP 3 developments in the Eastern Cape.

Of the 19 potential dam sites that were assessed as part of the planning process, the Ntabelanga dam site on the Tsitsa River was found to be the best in terms of domestic and irrigation water supplies. A smaller dam will also be constructed just upstream of the Tsitsa Falls for hydropower generation. These two dams will be developed as as phase 1 of the project.

The dam at Ntabelanga is also strategically placed for a possible future water transfer to Nelson Mandela Bay Municipality and the Orange/Vaal River System, although such a transfers would only be necessary from 2035 due to the Phase 2 of Lesotho Highlands Water Project. The other dam sites will be taken up for detailed investigation in the subsequent phases of the development to further increase the availability of water for growth and development in the Mzimvubu catchment area..

The Role of Water Boards in Infrastructure delivery

Ladies and Gentlemen, the Water Boards are key strategic entities that play an important role in socio economic development. During the 2011/12 financial year alone, Water Boards generated R10.5 billion from water sales and after funding their own operational costs, they invested R2.1 billion in infrastructure development and are investing a further R3.3 billion during the 2012/13 financial year which ends in June this year. The investment programme could be further accelerated if the Municipalities paid their current debt of R1,9 billion which is owed to Water Boards.

Our Regional Bulk Infrastructure program at municipal level is largely being implemented by the Water Boards on behalf of the Department. They also continue to provide assistance for municipalities to comply with the Blue/Green Drop certification thus improving the standard of their drinking water and effluent quality.

Honourable Chairperson, I will cover just a few areas where we are making significant progress on the implementation and planning of projects:

In Kwa Zulu-Natal, a number of water projects were implemented. Just a few weeks ago the R 186 million water supply project in the Maphumulo area of the Ilembe District benefiting 150 000 people was inaugurated. In the Ugu District a further 100 000 people benefited from Mahlabatshana water scheme. A new project, the Richmond Pipeline, will be developed at a cost of R134 million and will provide water to 200 000 people.

In North West, the first phase of the R1.2 billion Pilanesberg scheme is being implemented. The project developed in partnership with the mines will provide a further 100 mega liters of water per day for the benefit of local municipalities and mines. At least 700 direct jobs will be created and 6000 indirect permanent jobs through new mining developments.

In the Free State, R156 million will be invested in two new pipeline projects providing additional water to Botshabelo and ThabaNchu municipalities and the Mangaung Metro.

We must congratulate the water boards for a jobs well done. They also achieved excellent audit results during their last audit.

Dam Safety Rehabilitation Programme

Honourable Chairperson, the dam safety rehabilitation programme was initiated in 2005 to address dam safety-related deficiencies at the department's 359 dams and major conveyance systems. To date we have invested R1,7 billion and 35 dams have been successfully rehabilitated. A further 5 dams are currently undergoing rehabilitation (Elandsdrift Weir, Cata Dam and Mnyameni Dam in the Eastern Cape, Stompdrift Dam in the

Western Cape and Kalkfontein Dam in the Free State). Good progress is being made on the rehabilitation of the Vlakfontein canal, one of the major supply arteries for ESKOM.

All these projects carry with them, the ever enduring principle of ensuring water and food security for South Africans and preventing water losses, but above all, the achievement of **equity** for the benefit of the poor people who have not benefitted from access to water from these dams.

Regional Bulk Infrastructure Grant

Honourable Chairperson, the Regional Bulk Infrastructure programme develops bulk infrastructure for water supply and water treatment works, and supplements regional bulk sanitation collector systems as well as regional waste water treatment works. This covers the provision of water from sources to Municipal reticulation systems.

We are implementing projects in every Province with a total budget of R3.7 billion of the MTEF period. Just by way of example in the Eastern Cape alone, we are implementing 18 projects.

Among many others are the construction of the Ludeke Dam in the Alfred Nzo District, the Paterson Bulk Water Supply Scheme in Cacadu, the Ncorha Bulk Water Scheme in Chris Hani, the Mncwasa Water Project at OR Tambo District.

In addition to the increased capacity for water supply, these projects have created more than 2000 local jobs in the province. Collectively, our water resources augmentation programme and our rehabilitation and refurbishment programme created 4 986 jobs in the financial year 2012/13.

In the third decade of **equity and redistribution**, we must continue to prioritize the upliftment of poor communities and ensure that we sustain their development and growth.

South Africa and the Global Water Agenda

Honourable members would be aware, we share the water resources with the rest of our neighbouring countries, Lesotho, Botswana, Mozambique, Namibia, Swaziland and Zimbabwe. These shared water courses cover 60% of the land mass of South Africa and provide 40% of our total water requirements. It is for this reason, we bear the important responsibility to collaborate and share best practice in integrated water management in the region in particular..

Honourable Chairperson, South Africa has achieved the Millennium Development goal for the provision of water supply which was to halve the number of people without sustainable access to safe drinking water by 2015. We are now participating with the Global water sector in the process of preparing for the post-2015 Development Agenda

Still on the global agenda, 2013 has been declared by the United Nations as the International Year of Water Cooperation. As part of the global family of nations, we are already implementing joint programs with the objective of shared water management experience. A consultative process has already started at continental level focusing on the themes: “Water, Sanitation and Hygiene (WASH)”, “Water Resources Management (WRM)” and “Wastewater Management and Water Quality (WMWQ)”. We are confident

that these consultations will reach consensus on realistic targets and indicators for these themes which will go a long way in further positioning water as a catalyst for development.

ENFORCEMENT, COMPLIANCE MONITORING AND WATER USE AUTHORIZATIONS

Ladies and Gentlemen, The Blue Scorpions, our enforcement unit, continues to play a vital role in enforcing the water laws especially in areas such as the Vaal River system where illegal water use is rife. We have already invested about R23.6 million in the area to strengthen our law enforcement efforts.

To date, and through these efforts, we have been able stop water theft in the order of fifty (50) million cubic meters per annum in the whole country, twenty six (26) million of this in the upper Vaal alone. This is a sure indication that we are getting somewhere with the fight against illegal water use.

We continue to work with SAPS and NPA to ensure enforcement takes place.. In the Mpumalanga area, one of our recent court settlements resulted in a mining company having to pay a considerable fine that has been earmarked for environmental research and protection. This is in support of the "polluter pays principle" which is at the core of our regulatory framework.

We continue to work with the departments of Mineral Resources and

Environment Affairs to ensure that there is regulatory alignment and to ensure that there is efficiency in dealing with environmental impact assessment and licensing processes. We also work with these Departments when conducting joint compliance audits.

We continue to make good progress on our water use authorizations project – Letsema – in dealing with the license backlog and new applications. Out of the 5349 water use Licence Applications received from 2001 until April 2013. 4286 have already been finalized

SUPPORT TO LOCAL GOVERNMENT:

Ladies and gentlemen, we cannot over emphasize the need for a closer collaboration with other Government Departments and other spheres of government if service delivery is to be achieved. It is for this reason that we have forged a partnership with the Department of Cooperative Governance with a task team to strategise and implement joint programmes to tackle issues of basic service delivery.

I have also recently signed a Memorandum of Understanding with the Premier of Mpumalanga which has been followed with the conclusion of an Implementation Protocol. Through this protocol we will speed up service delivery in the province and deal with all backlogs by the end of 2014. I anticipate that I will very soon be signing similar agreements with other Provinces.

Following a cabinet decision in 2012, I appointed Rand Water as Implementing Agent for the Sedibeng Regional Sewer Scheme and we are at an advanced stage with the finalisation of the Implementation Protocol. The scheme will cover the Municipalities of Sedibeng, Emfuleni, Lesedi, City of Jo'Burg and Mid-Vaal. This project will resolve many of the pollution problems experienced in the Vaal River upstream of the Vaal Barrage. The project is scheduled for completion by June 2017 at an estimated cost of R2.42 billion.

In the past year we have developed a programme to ensure that water and waste water treatment works meet the regulatory requirements for delivery compliance in the supply of good quality drinking water and effluent discharge.

In order to attain the ideals of this programme we have supported fifty-six (56) Water

Services Authorities (WSA) that did not comply with the Blue and Green Drop

Certification programmes. In this regard, more than two-thousand (2000) Process Controllers were able to complete training in water and waste water treatment works through collaboration between the DWA and the Local Government Sector Education and Training Authority (LGSETA).

We also continue with the Councillor Development Training programme. This training will empower councillors leading to more effective, efficient, affordable and sustainable water services within the communities they

serve.

POLLUTION AND WATER QUALITY MANAGEMENT

Honourable Chairperson, the value and impact of the Blue Drop and Green Drop Certification process continues to grow. As you are aware, in 2012 I released the Blue Drop Drinking Water Quality Report which indicated a further improvement in drinking water quality. In July this year the outcomes of the 2013 Green drop assessments will be released at the annual Municipal Water Quality Conference.

This process helps us to recognize areas where urgent interventions are required. The Rapid Response team is able to mobilise at short notice to deal with these urgent interventions working together with The Department of Cooperative Governance special purpose vehicle, MISA.

Honourable Chairperson, we are also making good progress with regard to the challenge of acid mine drainage in the Witwatersrand area. Since the inception of the Inter Ministerial Committee on Acid Mine Drainage (AMD), the following progress has been made: the immediate solution in the western basin has been completed and commissioned in June 2012, and the uncontrolled decant of AMD in Western Basin effectively stopped in August 2012. We are currently busy with a second phase upgrade of the Rand Uranium plant which will further increase the capacity to treat AMD in that basin.

A contract for the construction of a pump station and new water treatment plant in the Central Basin was awarded in December 2012 and construction started on 14 January 2013. The project is on schedule to start pumping water by November 2013 resulting in the protection of the Environmental Critical Level.

In the Eastern basin, construction of a new water treatment plant is planned to commence by November 2014.

CONCLUSION

In presenting this Budget Vote to this House for approval, I would like to extend my thanks to the Deputy Minister, The Chair and members of the Portfolio Committee, the Acting Director-General, Senior Management and staff of the Department for their continued support towards the achievement of our goals. I also extend my thanks to the Entities and Water Sector Partners who continue to provide invaluable support.

We are grateful for the contribution of those many South Africans who continue to heed the call to use water sparingly, whether at home, at work or in places of worship, entertainment and elsewhere.

As representatives of the people, your oversight and demand for accountability will spur us on to ensure that we do all that we have to do within the confines of the relevant legislation, assisting the achievements of the programmes of Government guided accordingly by the New Growth Path as well as the National Development Plan.

I thank You